



Department of
Environmental Quality

Kimberly D. Shelley
Executive Director

DIVISION OF WATER QUALITY
John K. Mackey, P.E.
Director

State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Water Quality Board
James Webb, Chair
Michelle Kaufusi, Vice Chair
Carly Castle
Michela Harris
Joseph Havasi
Trevor Heaton
Robert Fehr
Jill Jones
Kimberly D. Shelley
John K. Mackey
Executive Secretary

**Utah Water Quality Board Meeting
MASOB
195 North 1950 West
Conference Room 3132 3rd Floor
Salt Lake City, UT 84116
and
Via [Zoom](#)**

**December 13, 2023
Board Meeting Begins at 8:30 am**

AGENDA

Water Quality Board Meeting – Call to Order & Roll Call

Jim Webb

Minutes:

Approval of Minutes for October 25, 2023 Water Quality Board Meeting

Jim Webb

Review 2024 Water Quality Board Meeting Schedule

Jim Webb

Executive Secretary Report

John K. Mackey

Funding:

1. Financial Status Report
2. Hyrum Planning Advance
3. Richmond Planning Advance
4. Hanksville Supplemental Funding Authorization

**Adriana Hernandez
George Meados
Beth Wondimu & Ken Hoffman
George Meados**

Other

1. Public Hearing for FY25 Fee Schedule Change

Emily Canton

Public Comment Period

Meeting Adjournment

Jim Webb

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December 13, 2023
Water Quality Board
Agenda

Next Meeting
January 24,2024 at 8:30 am

MASOB & Via [Zoom](#)
195 North 1950 West
Salt Lake City, UT 84116

DWQ-2023-127348



State of Utah

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MINUTES

**UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
UTAH WATER QUALITY BOARD**
State Tax Commission Building
and
Via Zoom

October 25, 2023
8:30 am Meeting

UTAH WATER QUALITY BOARD MEMBERS PRESENT

Jim Webb	Jill Jones
Carly Castle	John Mackey
Trevor Heaton	Joe Havasi
Michela Harris	
Mayor Kaufusi	
Robert Fehr	
<u>Excused</u>	
Kim Shelly	

DIVISION OF WATER QUALITY STAFF MEMBERS PRESENT & ONLINE

Emily Cantón	Skyler Davis
Ken Hoffman	Glen Lischeske
Clanci Hawks	Andrew Pompeo
Adrianna Hernandez	Julian Carrol
Haley Sousa	Alex Heppner
George Meados	Jennifer Robinson
Ben Holcomb	Porter Henze
Beth Wondimu	Dan Griffin
Justine Marshall	Lonnie Shull
Eric Castrejon	Glen Lischeske
Linsey Shafer	Judy Etherington
Paul Burnett	Dave Pierson

OTHERS PRESENT & ONLINE

Miranda Menzies	Trent Jones
Matt Myers	Melissa Reynolds
Brad Rasmussen	Heidi Hall
Gary Vance	Soren Simonsen
Trent Jones	Scott Taylor
Dan Stefanik	P. Erickson
Kaeden Kulow	M. Simons
Rob Dubuc	Nathan Langston
Aldo Biasi	

Mr. Webb, Chair, called the Meeting to order at 8:30 AM.

ROLL CALL

Mr. Webb took roll call for the members of the Board.

APPROVAL OF MINUTES OF AUGUST 23, 2023 BOARD MEETING

Mr. Webb moved to approve the minutes of the August 23 2023 Board meeting.

Motion: Ms. Jones motioned to accept the minutes.
Mr. Webb seconded the motion.
The motion passed unanimously to approve the August 23, 2023 meeting minutes.

EXECUTIVE SECRETARY REPORT

Mr. Mackey addressed the Board regarding the following:

- Rulemaking for House Bill 513: The issue is primarily related to mineral extractions and royalties associated with Great Salt Lake extractors. There is a water quality component that needs review. This will be completed through informal rule making which will allow staff to reach out to various stakeholder groups. MWPP and CWNS: The WQB will hear a presentation providing summaries on our Municipal Wastewater Planning Program (MWPP) and the Clean Water Needs Survey (CWNW).
- National News:
 - Waters of the US: In national news, we have a new definition for Waters of the US (WOTUS). This has had an impact on some of our programs and some of the coverage of our programs related to Wetlands.

- Clean Water Act of 2023: On October 18th the House Democrats passed the Clean Water Act of 2023. This is an update of the Clean Water Act and includes replacement of the term navigable waters with “protected water resources.”
- National Prescription Drug Take Back Day (Oct 28th) Sponsored by the DEA, stations are set up for people to take back their expired prescriptions to be disposed of properly. It has always been a concern for people to flush prescriptions down the toilet since this ends up in the water and can affect quality in many ways.
- National Meetings: The Association of Clean Water Administrators (ACWS) is hosting its Water Quality Modeling workshop at DEQ. In addition, EPA Region 8 is in Salt Lake for the Quarterly Meeting.
- Water Quality Restoration and Protection Survey: This survey was put out by our Watershed Group. He noted that they would like if everyone would participate and represent in your Watersheds where you live and recreate.
- Spills: An oil spill in near Escalante has been in the news recently, occurred in October of 2023. The spill, which initially occurred in 2021 has been contained.
- Mantua Reservoir: A fish kill occurred in the Mantua Reservoir after the water was treated for harmful algal blooms.

FUNDING

Financial Status Report: Ms. Hernandez presented the financial status report to the Board as indicated in the packet.

Request for Legislative Appropriation Authorization – St. George: Mr. Pompeo presented a request for St. George in the amount of \$13,066,000 for the construction of the Graveyard Wash Reuse Storage Reservoir project. Funds were appropriated by the Legislature.

Motion: Ms. Jones motioned to authorize funding in the amount of \$13,066,000 as a grant from the Hardship Grant Fund with the following conditions:

1. This is a direct grant from the State of Utah Legislature and will not be repaid.
2. St. George must agree to participate annually, for at least 20 years, in the Municipal Wastewater Planning Program (MWPP).
3. St. George must develop, commit to adopt, and implement a capital asset management plan that is consistent with the requirements of Utah Administrative Code (UAC) R317-3-101.

Mr. Heaton seconded the motion.

The motion passed unanimously.

Project Funding Process Discussion: Mr. Hoffman explained that each request for funding would be presented to the Board. Authorizations would be considered at the conclusion of the project presentations.

Monticello City – Request for Funding: Mr. Davies presented a request for Monticello City in the amount of \$1,214,000 to upgrade the sewer system by replacing several sections of the system that have reached the end of its service life.

Mount Pleasant City – Request for Funding: Mr. Lischeske presented a request for Mount Pleasant City in the amount of \$2,670,000 for new construction and upgrades to their existing wastewater treatment facility per the conclusions and recommendations from their 2022 Master Plan.

Lewiston City – Request for Funding: Mr. Hoffman presented a request for Lewiston City in the amount of \$6,512,000 to upgrade the sewer system and connect its collection system to the Richmond MBR treatment plant.

Brian Head Town – Request for Funding: Mr. Meados presented a request for Brian Head Town in the amount of \$2,201,688 to install wastewater collection lines into newly annexed areas of Snow Shoe Drive, Toboggan Circle and Ponderosa Drive.

Wolf Creek Water and Sewer Improvement District – Request for Funding: Mr. Pompeo presented a request for Wolf Creek Water and Sewer Improvement District in the amount of \$6,404,000 for the construction of a reuse storage pond and distribution pipeline and pump station.

South Davis Sewer District – Request for Funding: Mr. Meados presented a request for South Davis Sewer District in the amount of \$49,237,000 to install a moving bed biological reactor (MBBR) with chemical addition at their North Plant.

Funding Authorization: At the conclusion of project presentations, the Board review the requests and made the following authorizations:

Monticello City

Motion: Ms. Harris motioned to authorize a loan to Monticello City in the amount of \$1,214,000 with an interest rate of 2.5% and repayable over 20 years with the special conditions as outlined in the packet.
Mr. Havasi seconded the motion.
Mr. Webb called for a roll call vote. The motion passed unanimously.

Mount Pleasant City

Motion: Mr. Heaton motioned to authorize a loan to Mount Pleasant City in the amount of \$2,535,000 with an interest rate of 2.5% and repayable over 20 years with the special conditions as outlined in the packet.

Ms. Jones seconded the motion.
Mr. Webb called for a roll call vote. The motion passed unanimously.

Lewiston City

Motion: Ms. Harris motioned to authorize a loan to Lewiston City in the amount of \$400,000 with an interest rate of 0% and repayable over 30 years and principal forgiveness in the amount of \$3,100,000. The authorization includes the special conditions as outlined in the packet. In addition, the prior authorization for Lewiston City is rescinded.
Mr. Heaton seconded the motion.
Mr. Webb called for a roll call vote. The motion passed unanimously.

Brian Head Town

Motion: Mr. Heaton motioned to authorize a loan to Brian Head Town in the amount of \$1,900,000 with an interest rate of 4% and repayable over 30 years with the special conditions as outlined in the packet.
Mayor Kaufusi seconded the motion.
Mr. Webb called for a roll call vote. The motion passed unanimously.

Wolf Creek Water and Sewer Improvement District

Motion: Mr. Havasi motioned to authorize a loan to Wolf Creek Water and Sewer Improvement District in the amount of \$6,404,000 with an interest rate of 2.5% and repayable over 20 years with the special conditions as outlined in the packet.
Mr. Havasi seconded the motion.
Mr. Webb called for a roll call vote. Ms. Harris abstained. The motion passed unanimously.

South Davis Sewer District

Motion: Ms. Jones motioned to authorize a loan to South Davis Sewer District in the amount of \$4,000,000 with an interest rate of 3.5% and repayable over 20 years with the special conditions as outlined in the packet. In addition, the prior authorization for South Davis Sewer District is rescinded.
Mayor Kaufusi seconded the motion.
Mr. Webb called for a roll call vote. The motion passed unanimously.

OTHER

Request to Commence Informal Rulemaking on HB513 Great Salt Lake Amendment: Mr. Holcomb presented information regarding HB513 to the Board as indicated in the packet. The full presentation can be viewed on the recording.

Municipal Wastewater Planning Program/Clean Water Needs Survey Report: Mr. Campbell presented the Municipal Wastewater Planning Program/Clean Water Needs Survey Report as indicated in the packet. The full presentation can be viewed on the recording.

PUBLIC COMMENTS

No comments were presented.

MEETING ADJOURNMENT

Motion: Mr. Heaton motioned to adjourn the meeting.
Mr. Fehr seconded.

Next Meeting – December 13, 2023
Meeting begins at 8:30 am

In-Person
MASOB
Red Rocks Conference Room 3rd Floor
195 North 1950 West
Salt Lake City, UT 84116

Via Zoom
<https://us02web.zoom.us/j/7074990271>

James Webb, Chair
Utah Water Quality Board

UTAH WATER QUALITY BOARD 2024 MEETING SCHEDULE

Date	Time	Location	Notes
Wednesday, January 24, 2024	8:30 AM	MASOB Board Room 1015/Zoom	
Wednesday, February 28, 2024	8:30 AM	MASOB Board Room 1015/Zoom	
Wednesday, March 27, 2024	8:30 AM	MASOB Board Room 1015/Zoom	
Wednesday, April 24 2024	8:30 AM	TBD	
Wednesday, May 22, 2024	8:30 AM	MASOB Board Room 1015/Zoom	
Wednesday, June 26, 2024	8:30 AM	MASOB Board Room 1015/Zoom	
No Meeting in July	---	---	
Wednesday, August 28, 2024	8:30 AM	MASOB Board Room 1015/Zoom	
Wednesday, September 25, 2024	8:30 AM	MASOB Board Room 1015/Zoom	
Wednesday, October 23, 2024	8:30 AM	TBD	
No Meeting in November	---	---	
Wednesday, December 11, 2024	8:30 AM	MASOB Board Room 1015/Zoom	

Revised: December 6, 2023
DWQ-2023-

LOAN FUNDS FINANCIAL STATUS REPORT DECEMBER 2023

	State Fiscal Year 2024	State Fiscal Year 2025	State Fiscal Year 2026	State Fiscal Year 2027	State Fiscal Year 2028
STATE REVOLVING FUND (SRF)					
CAP Grant Base Program					
Capitalization Grant Awards (FY22)	\$ -				
Future Capitalization Grant	\$ 3,952,000				
State Cap Grant Match (FY22)	\$ -	\$ -	\$ -	\$ -	\$ -
Future State Cap Grant Match	\$ 790,400	\$ -	\$ -	\$ -	\$ -
CAP Grant General Supplemental					
General Supplemental Grants (FY22)	\$ 9,378,000	\$ -	\$ -	\$ -	\$ -
Future General Supplemental Grant	\$ 10,983,000	\$ 11,234,025	\$ 12,169,025	\$ 12,169,025	\$ -
State General Supplemental Grants Match (FY22)	\$ 937,800				
Future State Gen. Sup Grants Match	\$ 1,098,300	\$ 2,246,805	\$ 2,433,805	\$ 2,433,805	\$ -
SRF - 2nd Round					
Account Balance	\$ 23,716,075	\$ (16,970,981)	\$ (218,885)	\$ 24,714,556	\$ 49,932,358
Interest Earnings at 5.4334%	\$ 859,059	\$ -	\$ -	\$ -	\$ -
Loan Repayments (5255)	\$ 5,475,675	\$ 17,272,300	\$ 17,225,194	\$ 16,977,794	\$ 20,691,107
Total Funds Available	\$ 57,190,310	\$ 13,782,148	\$ 31,609,139	\$ 56,295,180	\$ 70,623,465
CWSRF Program Obligations					
Admin Expenses for all CAP Grant Awards	\$ (1,037,080)	\$ (894,361)	\$ (931,761)	\$ (400,000)	\$ (400,000)
Cap Grant Principal Forgiveness (PF) (FY18-22)	\$ (13,534,600)				
Future Cap Grant (PF portion)	\$ (1,185,600)	\$ -	\$ -	\$ -	\$ -
General Supplemental Grants (PF portion)	\$ (4,595,220)				
Future General Supplemental Grants (PF portion)	\$ (5,381,670)	\$ (5,504,672)	\$ (5,962,822)	\$ (5,962,822)	
Project Obligations					
Moab City	\$ (80,000)	\$ -	\$ -	\$ -	\$ -
Provo City 262	\$ (8,800,500)	\$ -	\$ -	\$ -	\$ -
Provo City 262b	\$ (1,855,621)	\$ -	\$ -	\$ -	\$ -
South Salt Lake City (A)	\$ (524,000)	\$ -	\$ -	\$ -	\$ -
Millville City Loan	\$ (5,146,000)	\$ -	\$ -	\$ -	\$ -
Mountain Green	\$ (3,734,000)	\$ -	\$ -	\$ -	\$ -
Payson City	\$ (13,425,000)	\$ -	\$ -	\$ -	\$ -
Loan Authorizations					
Millville Refinance Loan	\$ (1,261,000)				
Long Valley	\$ (1,250,000)				
North Logan	\$ (3,500,000)				
South Davis		\$ (4,000,000)			
Mt Pleasant	\$ (2,535,000)				
Monticello	\$ (1,214,000)				

LOAN FUNDS FINANCIAL STATUS REPORT DECEMBER 2023

Wolf Creek	\$ (3,202,000)	\$ (3,202,000)			
Brian Head	\$ (1,900,000)				
Lewiston		\$ (400,000)			
Planned Projects					
CWSRF Obligations	\$ (74,161,291)	\$ (14,001,033)	\$ (6,894,583)	\$ (6,362,822)	\$ (400,000)
CWSRF Remaining Loan Balance	\$ (16,970,981)	\$ (218,885)	\$ 24,714,556	\$ 49,932,358	\$ 70,223,465
Add'l Subsidy - Principal Forgiveness					
PF Balances (max for FY18-22)	\$ 13,534,600	\$ 645,090	\$ 6,149,762	\$ 12,112,585	\$ 18,075,407
Future Cap Grant (PF portion)	\$ 1,185,600	\$ -	\$ -	\$ -	\$ -
General Supplemental Balances (PF portion)	\$ 4,595,220				
Future General Supplemental Grants (PF portion)	\$ 5,381,670	\$ 5,504,672	\$ 5,962,822	\$ 5,962,822	
Project Obligations					
South Salt Lake City (A)	\$ (3,760,000)	\$ -	\$ -	\$ -	\$ -
Millville City	\$ (3,604,000)	\$ -	\$ -	\$ -	\$ -
Provo City	\$ (7,000,000)	\$ -	\$ -	\$ -	\$ -
Payson City	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -
Millville City Refinance	\$ (3,750,000)	\$ -	\$ -	\$ -	\$ -
Add'l Subsidy Authorizations					
Hanksville	\$ (1,694,600)				
Lewiston	\$ (3,100,000)				
Planned Projects					
Hanksville (addt'l funding)*	\$ (143,400)				
Principal Forgiveness Obligations	\$ (24,052,000)	\$ -	\$ -	\$ -	\$ -
Principal Forgiveness Remaining Balance	\$ 645,090	\$ 6,149,762	\$ 12,112,585	\$ 18,075,407	\$ 18,075,407
	State Fiscal Year	State Fiscal Year	State Fiscal Year	State Fiscal Year	State Fiscal Year
UTAH WASTEWATER LOAN FUND (UWLF)	2024	2025	2026	2027	2028
Funds Available					
UWLF	\$ 34,138,364	\$ 18,900,906	\$ 20,923,060	\$ 22,628,662	\$ 24,089,582
Sales Tax Revenue	\$ (0)	\$ 3,587,500	\$ 3,587,500	\$ 3,587,500	\$ 3,587,500
Loan Repayments (5260)	\$ 1,286,092	\$ 2,606,859	\$ 2,477,307	\$ 2,232,625	\$ 2,259,259
Total Funds Available	\$ 35,424,456	\$ 25,095,265	\$ 26,987,867	\$ 28,448,787	\$ 29,936,341
General Obligations					
State Match Transfers Base Cap Grant	\$ (790,400)	\$ -	\$ -	\$ -	\$ -

*WQB Agenda Items

LOAN FUNDS FINANCIAL STATUS REPORT DECEMBER 2023

State Match Transfers Gen. Supplemental Grant	\$ (937,800)	\$ -	\$ -	\$ -	\$ -
State Match Transfers Gen. Supplemental Grant	\$ (1,098,300)	\$ (2,246,805)	\$ (2,433,805)	\$ (2,433,805)	\$ -
DWQ Administrative Expenses	\$ (1,444,050)	\$ (1,925,400)	\$ (1,925,400)	\$ (1,925,400)	\$ (1,925,400)
Project Obligations					
South Salt Lake City (B)	\$ (4,891,000)	\$ -	\$ -	\$ -	\$ -
South Salt Lake City (C)	\$ (982,000)	\$ -	\$ -	\$ -	\$ -
Loan Authorizations					
Spanish Fork	\$ (4,500,000)				
Hanksville	\$ (350,000)				
Long Valley	\$ (220,000)				
Grantsville	\$ (1,000,000)				
Kane County	\$ (310,000)				
Planned Projects					
	\$ -				
Total Obligations	\$ (16,523,550)	\$ (4,172,205)	\$ (4,359,205)	\$ (4,359,205)	\$ (1,925,400)
UWLF Remaining Loan Balance	\$ 18,900,906	\$ 20,923,060	\$ 22,628,662	\$ 24,089,582	\$ 28,010,941
TOTAL LOAN FUND BALANCE	\$ 2,575,014	\$ 26,853,937	\$ 59,455,802	\$ 92,097,347	\$ 116,309,813
PROJECT RESERVE	\$ -	\$ (5,000,000)	\$ (10,000,000)	\$ (15,000,000)	\$ (20,000,000)
TOTAL AVAILABLE LOAN FUNDS	\$ 2,575,014	\$ 21,853,937	\$ 49,455,802	\$ 77,097,347	\$ 96,309,813

HARDSHIP GRANT FUNDS FINANCIAL STATUS REPORT DECEMBER 2023

HARDSHIP GRANT FUNDS (HGF)	State Fiscal Year 2024	State Fiscal Year 2025	State Fiscal Year 2026	State Fiscal Year 2027	State Fiscal Year 2028
Funds Available					
Beginning Balance	\$ -	\$ 1,598,085	\$ 1,548,296	\$ 1,446,529	\$ 1,292,055
Federal HGF Beginning Balance (5250)	\$ 3,482,263	\$ -	\$ -	\$ -	\$ -
State HGF Beginning Balance (5265)	\$ 4,999,318	\$ -	\$ -	\$ -	\$ -
Hardship Grant Assessments (5255)	\$ 63,531	\$ 689,765	\$ 657,624	\$ 624,522	\$ 590,676
Interest Payments - (5260)	\$ 51,330	\$ 260,446	\$ 240,609	\$ 221,004	\$ 206,353
Advance Repayments	\$ -	\$ -	\$ -	\$ -	\$ -
Total Funds Available	\$ 8,596,442	\$ 2,548,296	\$ 2,446,529	\$ 2,292,055	\$ 2,089,084
St George Appropriation					
Beginning Balance	\$ 13,066,000				
Authorizations					
St. George Graveyard Wash Res	\$ (13,066,000)				
Total Funds Available	\$ -	\$ -	\$ -	\$ -	\$ -
Financial Assistance Project Obligations					
Big Water-Planning Grant	\$ (28,241)	\$ -	\$ -	\$ -	\$ -
Delta - Design Grant	\$ (200,000)	\$ -	\$ -	\$ -	\$ -
Delta - Short Term Loan	\$ (200,000)				
Dutch John - Planning	\$ (95,000)	\$ -	\$ -	\$ -	\$ -
Dutch John - HGF Loan	\$ (60,000)	\$ -	\$ -	\$ -	\$ -
Eagle Mountain City - Construction Grant	\$ (510,000)	\$ -	\$ -	\$ -	\$ -
Elwood - Planning	\$ (18,200)	\$ -	\$ -	\$ -	\$ -
Hanksville - Design	\$ (29,700)	\$ -	\$ -	\$ -	\$ -
Hinckley Hardship Planning Grant	\$ (15,000)	\$ -	\$ -	\$ -	\$ -
Kanab City Planning Advance	\$ (29,800)	\$ -	\$ -	\$ -	\$ -
Lewiston City - Design and Construction	\$ (460,000)	\$ -	\$ -	\$ -	\$ -
Lewiston City - De-Obligation	\$ 460,000				
Long Valley - Design	\$ (103,700)	\$ -	\$ -	\$ -	\$ -
Millville City - Construction Grant	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -
Spanish Fork - Hardship Grant	\$ (500,000)	\$ -	\$ -	\$ -	\$ -
Stockton - Planning	\$ (20,000)	\$ -	\$ -	\$ -	\$ -
Spring City - Design Advance	\$ (289,000)				
Non-Point Source/Hardship Grant Obligations					
OSG Cost Share Balances (FY20-21)	\$ (56,000)				
McKees ARDL interest-rate buy down	\$ (55,261)	\$ -	\$ -	\$ -	\$ -
Munk Dairy ARDL interest-rate buy down	\$ (16,017)	\$ -	\$ -	\$ -	\$ -
(FY12) Utah Department of Agriculture	\$ (122,748)	\$ -	\$ -	\$ -	\$ -
(FY15) DEQ - Ammonia Criteria Study	\$ (27,242)	\$ -	\$ -	\$ -	\$ -
(FY17) DEQ - Utah Lake Water Quality Study	\$ (348,301)	\$ -	\$ -	\$ -	\$ -
(FY19) USU - Nutrient Concentrations Paleolimnology of Utah Lake	\$ (10,198)	\$ -	\$ -	\$ -	\$ -
FY 2018 - Remaining Payments	\$ (7,100)	\$ -	\$ -	\$ -	\$ -

HARDSHIP GRANT FUNDS FINANCIAL STATUS REPORT DECEMBER 2023

FY 2019 - Remaining Payments	\$ (45,903)	\$ -	\$ -	\$ -	\$ -
FY 2020 - Remaining Payments	\$ (107,780)	\$ -	\$ -	\$ -	\$ -
FY 2021 - Remaining Payments	\$ (110,857)	\$ -	\$ -	\$ -	\$ -
FY 2022 - Remaining Payments	\$ (510,688)	\$ -	\$ -	\$ -	\$ -
FY 2023 - Remaining Payments	\$ (648,076)				
FY 2024 - Remaining Payments	\$ (996,674)				
Future NPS Annual Allocations		\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
Authorizations					
Grantsville - Design Advance	\$ (300,000)				
Kane County - Hardship Grant	\$ (200,000)				
Rockville Town - Hardship Grant	\$ (27,172)				
Mt. Pleasant - Hardship Grant	\$ (135,000)				
Planned Projects					
Richmond*	\$ (99,800)				
Hyrum*	\$ (74,900)				
Total Obligations	\$ (6,998,357)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
HGF Unobligated Funds	\$ 1,598,085	\$ 1,548,296	\$ 1,446,529	\$ 1,292,055	\$ 1,089,084



State of Utah

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**WATER QUALITY BOARD
REQUEST FOR PLANNING ADVANCE FOR
WASTEWATER CAPITAL FACILITIES PLAN**

APPLICANT: Hyrum City
60 W. Main St.
Hyrum, Utah 84319

PRESIDING OFFICIAL: Mayor Stephanie Miller

CONTACT: Angela Pritchett, Water Reclamation Superintendent

TREASURER/RECORDER: Todd Perkins

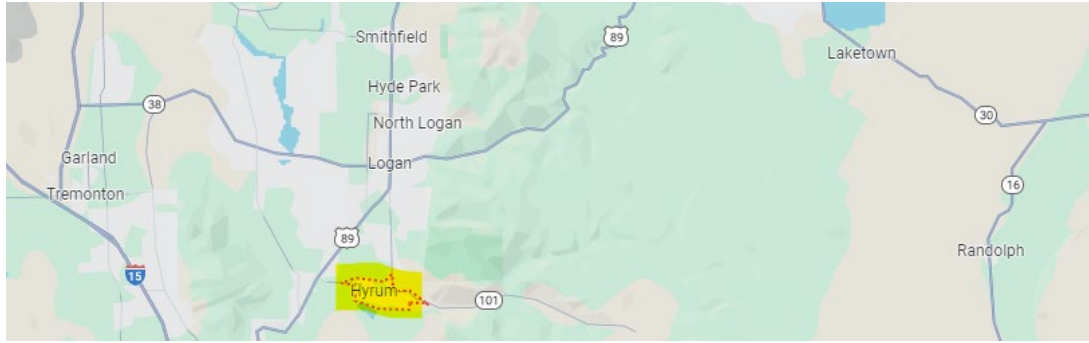
CONSULTING ENGINEER: Christina Osborn, P.E.

APPLICANT'S REQUEST

Hyrum City (Hyrum) is requesting a **planning advance** in the amount of \$74,900 to develop a Master Plan that will include a capital facility plan that evaluates projected flows and loads, existing plant unit process capacity and performance, and develop recommended improvements to maintain a proper level of service and comply with known and anticipated discharge limits.

APPLICANT'S LOCATION

Hyrum is located in Cache County. Hyrum's Water Reclamation Facility (WRF) is covered by Utah Pollutant Discharge Elimination System (UPDES) Permit No. UT0023205 for discharge into Spring Creek. Spring Creek is listed Under Section 303(d) as impaired for phosphorus and the City discharges under limits established by an approved total maximum daily load (TMDL).



PROJECT NEED

Hyrum is requesting a planning advance to determine the capacity of their wastewater treatment system. The City of Millville (Millville) will soon connect their new sewage collection system to the Hyrum WRF. With this expansion Hyrum would like to determine the existing plant's capacity and performance to better assist them with the projected flows and load that will be discharged to their treatment system. Along with the Millville wastewater discharge, Hyrum is experiencing rapid growth and would like to better understand the infrastructure needed to accommodate the growth.

PROJECT DESCRIPTION

Some specific projects expected to be included in the Master Plan include expanding Hyrum WRF's capacity to ensure it can handle the current and future wastewater for both Hyrum and Millville. Alternatives will be evaluated to select the most effective and efficient means of expansion.

IMPLEMENTATION SCHEDULE

The estimated plan completion date is July 2024.

APPLICANT'S CURRENT USER CHARGE:

Currently, Hyrum charges a sewer user fee of approximately \$48.00 per residential connection per month. Hyrum's median adjusted gross income (MAGI) in 2021 was \$53,800 and the affordable monthly fee was \$62.77.

FINANCIAL BURDEN EVALUATION:

The cost for sewer service does not exceed the State Affordability Criteria. In accordance with the Board's Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, staff utilized data from the United State Census Bureau (census) website (<https://data.census.gov/cedsci/>) to calculate the City's Financial Need Indicator (FNI). The calculated FNI is 1.09 which is the bottom of the range of the FNI. Staff compared this FNI to the percent modified MAGI in the Financial Burden Matrix and displayed the Financial Burden in Attachment 1.

Based on the Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, Alternative 1 would result in the community having a Financial Burden of **Low**.

COST ESTIMATE

The Master Plan is estimated to cost \$74,900.

STAFF COMMENTS

Hyrum is facing significant financial challenges in developing a Master Plan for its WRF. Without a planning advance Hyrum would need to divert funding from other budget areas such as culinary water and wastewater collection system planning. A cost model can be found attached. Hyrum is requesting grant consideration from the Water Quality Board (Board).

The Board could authorize three separate types of approvals:

1. A Planning Advance to be repaid expeditiously at the time of project funding.
 - a. An authorization as an advance can be converted to a grant or short-term unsecured loan by the Board at a later date.
2. A Planning Advance as a Grant.
3. A Planning Advance as a short-term unsecured loan.

Staff has included language and special conditions to facilitate whichever motion or combination of motions the Board might decide to make.

STAFF RECOMMENDATION

Staff recommends **the Board authorize a planning advance of \$74,900 to Hyrum under the following special conditions:**

1. The Design Advance must be expeditiously repaid to the Board once long-term project financing has been secured.
2. The Division of Water Quality (DWQ) must approve the engineering agreement and plan of study before the grant agreement will be executed.
3. Hyrum must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).
4. As part of the facility planning, Hyrum must complete a Water Conservation and Management Plan.

GRANT MOTION

The Board authorize a planning grant of \$XX,XXX to Hyrum under the following special conditions:

1. The planning grant is a grant and will not be repaid.
2. DWQ must approve the engineering agreement and plan of study before the grant agreement will be executed.
3. Hyrum must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).
4. As part of the facility planning, Hyrum must complete a Water Conservation and Management Plan.

SHORT TERM UNSECURED LOAN MOTION

The Board authorize a planning advance of \$XX,XXX to Hyrum at a short-term loan with an interest rate of 0% repayable over 5 years under the following special conditions:

1. The loan will be repaid in five annual installments beginning one year from the date the loan is fully disbursed or the project is otherwise completed.
2. DWQ must approve the engineering agreement and plan of study before the grant agreement will be executed.
3. Hyrum must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).
4. As part of the facility planning, Hyrum must complete a Water Conservation and Management Plan.

**ATTACHMENT 1
Hyrum - Water Quality Board
20 Year Loan Static Cost Model**

Project Costs

Legal/Bonding		
Loan Origination Fee		
Planning Advance		
Engineering - Design	\$	74,900
Engineering - CMS		
Wastewater Collection System		
Contingency (30%)		
Total Project Cost:	\$	74,900

Project Funding

Local Contribution	\$	-
Amount to be Funded	\$	74,900
WQB Grant	\$	-
Total Project Cost:	\$	74,900

Current Customer Base & User Charges

Initial Total Customer (ERU's)	3,950
MAGI for Hyrum (2020):	\$53,800
Affordable Monthly Rate at 1.4%	\$62.77
Impact Fee (per ERU):	\$2,282
Current Monthly Fee (per ERU)	\$48.00
Debt Service	\$184,700
Annual O&M expense	\$1,671,600

Funding Conditions

Loan Repayment Term:	20
Reserve Funding Period:	6

ESTIMATED COST OF SEWER SERVICE

WQB Loan	Principal Forgiveness	WQB Loan Interest Rate	Private Loan Interest Rate*	WQB Loan Debt Service	WQB Loan Reserve	Private Loan Debt Service	Annual Sewer	Existing Debt Service	Total Annual Sewer Cost	Monthly Sewer Cost/ ERU	Sewer Cost as % of MAGI	Financial Burden
0	74,900	4.29%	N/A	0	0	0	1,671,600	184700	1,856,300	39.16	0.87%	LOW
10,000	64,900	3.98%	N/A	735	184	0	1,671,600	184700	1,857,218	39.18	0.87%	LOW
20,000	54,900	3.67%	N/A	1,429	357	0	1,671,600	184700	1,858,086	39.20	0.87%	LOW
30,000	44,900	3.36%	N/A	2,084	521	0	1,671,600	184700	1,858,905	39.22	0.87%	LOW
40,000	34,900	4.29%	N/A	3,019	755	0	1,671,600	184700	1,860,074	39.24	0.88%	LOW
37,400	37,400	3.00%	N/A	2,514	628	0	1,671,600	184700	1,859,442	39.23	0.87%	LOW
60,000	14,900	2.43%	N/A	3,823	956	0	1,671,600	184700	1,861,079	39.26	0.88%	LOW
70,000	4,900	2.12%	N/A	4,331	1,083	0	1,671,600	184700	1,861,713	39.28	0.88%	LOW
74,900	0	1.81%	N/A	4,497	1,124	0	1,671,600	184700	1,861,921	39.28	0.88%	LOW
74,900	0	1.50%	N/A	4,363	1,091	0	1,671,600	184700	1,861,753	39.28	0.88%	LOW

*Staff Estimate

FNI Calculation					
	Local Value	State Value	Score	Weighting Factor	Weighting Score
Unemployment Rate	1.9%	3.6%	1.15	4	4.60
Poverty Rate	7.0%	9.1%	1.00	2.5	2.50
Threshold LQI	\$ 40,929	\$ 35,445	1.00	2.5	2.50
Population Growth Rate	16.0%	18.6%	1.28	1	1.28
Financial Need Indicator (Sum of weighted Scores/10)					1.09

Table **

S2301

S1701

B19080

B01003

Financial Burden Matrix					
FNI	Modified MAGI				
	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	Low	Medium	Medium	High
1.5 to 2.5	Low	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High

** <https://data.census.gov/cedsci/>



State of Utah

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Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of
Environmental Quality

Kimberly D. Shelley
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DIVISION OF WATER QUALITY
John K. Mackey, P.E.
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Water Quality Board
James Webb, Chair
Michelle Kaufusi, Vice Chair
Carly Castle
Robert Fehr
Michela Harris
Joseph Havasi
Trevor Heaton
Jill Jones
Kimberly D. Shelley
John K. Mackey

**WATER QUALITY BOARD
REQUEST FOR PLANNING ADVANCE FOR
WASTEWATER CAPITAL FACILITIES PLAN**

APPLICANT: Richmond City
90 South, 100 West.
Richmond, Utah 84333
Telephone:435-757-4579

CONTACT PERSON: Mayor Paul Erickson

TREASURER/RECORDER: Justin Lewis

CONSULTING
ENGINEER: Weston Billon
J-U-B Engineers, Inc.
1047 S 100 W, Suite 180
Logan Utah 84321
435-713-9514

CITY ATTORNEY: Seth Tait
Olson & Hoggan P.C.
435-752-1551

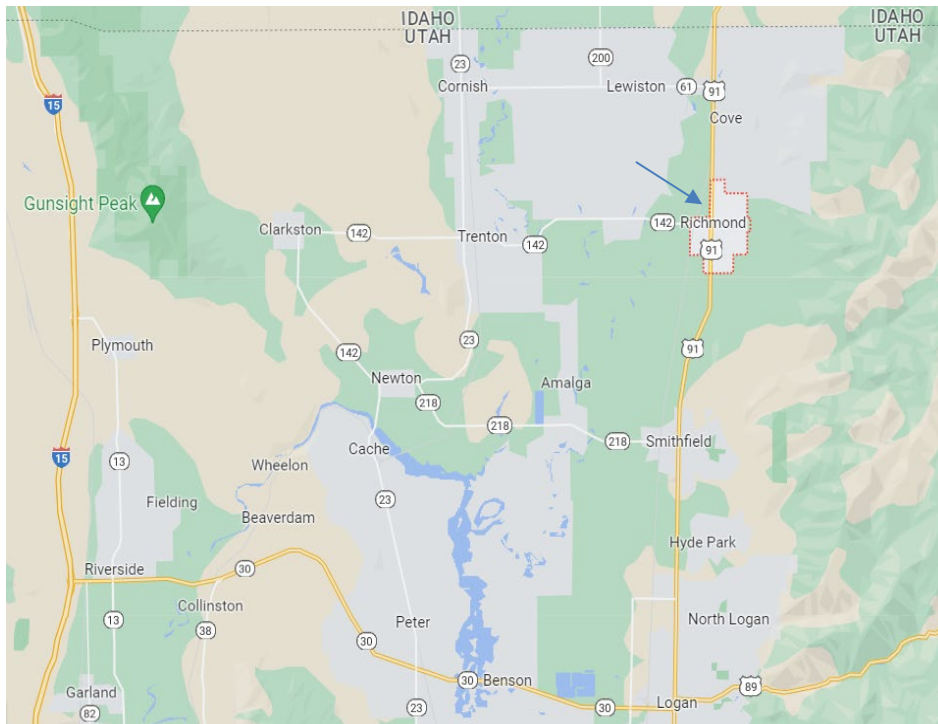
FINANCIAL ADVISOR: Alex Buxton - Zions Bank

APPLICANT'S REQUEST:

Richmond City (Richmond) is requesting a planning advance from the Water Quality Board (Board) in the amount of \$99,800 to evaluate their wastewater treatment plant capability to handle the current and future wastewater flows and loads. Richmond is particularly interested in evaluating the capacity to accept the connection of Lewiston City (Lewiston).

APPLICANT'S LOCATION

Richmond is located in Cache County, Utah.



PROJECT NEED

Richmond owns and operates a Water Reclamation Facility (WRF) that treats wastewater generated by Richmond at an average daily flow of 0.5 million gallons per day (MGD). The WRF was constructed in 2008 and the previous Master Plan was done in 2006. The WRF's liquid treatment process consists of a headworks that includes screening and grit removal, the main biological treatment process is membrane bioreactors, UV disinfection, and discharges into an un-named irrigation ditch or old lagoon cells and eventually the Cub River. The WRF's solids treatment process consists of sending waste activated sludge to one of the old lagoon cells and letting it evaporate.

The WRF has limited capacity and Richmond would like to complete a capital facility plan to better understand the impacts of becoming a regionalized treatment plant. Specifically, Richmond wants to evaluate taking on the wastewater from Lewiston. Richmond would like to develop a Master Plan to evaluate the capacity and condition of its existing wastewater treatment infrastructure. The Master Plan will also focus on phasing in new equipment and expanding capacity to meet the needs of the two communities as they grow. The Master Plan also includes upgrading the UV disinfection system and the Supervisory Control and Data Acquisition (SCADA) system and replacing or rebuilding the lift pumps. Alternatives will be evaluated to select the most effective and efficient means of expansion.

PROJECT DESCRIPTION

To complete the Master Plan Richmond is planning to:

1. Establish projected flows and loads for a 20-year planning period using population projections based on estimates provided for both Richmond and Lewiston.
2. Document known permit requirements and identifying potential long-term permit concerns to track.
3. Evaluate the existing plant unit process condition, capacity, and performance under current and projected conditions.
4. Develop recommended improvements to maintain a proper level of service and comply with known and anticipated discharge limits.
5. Establish a capital improvement plan for the next 20 years of service.
6. Inform the upcoming Impact Fee and Rate study of upcoming WRF improvements necessary to accommodate grow.

IMPLEMENTATION SCHEDULE

The estimated plan completion date is July 30, 2024.

COST ESTIMATE

Richmond estimated the scope of work will cost \$99,800.

APPLICANT’S CURRENT USER CHARGE:

Currently, Richmond charges a sewer user fee of approximately \$77.00 per residential and non-residential connection per month. Richmond’s median adjusted gross income (MAGI) in 2021 was \$57,600 and the affordable monthly fee was \$67.20.

ESTIMATED ANNUAL COST FOR SEWER SERVICE:

The static model of financing alternatives considered is given in Attachment 1. The basic cost model used in financial alternatives for the project are provided below:

Operation & Maintenance – Annual (Total for Collection & MBR Systems)	\$972,846
Existing Sewer Debt Service – Annual	\$228,600
Current ERC	1,235
Current Monthly Cost / ERU	\$77.00
WQB hardship consideration threshold 1.4% MAGI (\$57,600 in 2021)	\$67.20
Estimated monthly rate for 5-year loan at 0%	\$82.42

FINANCIAL BURDEN EVALUATION:

The cost for sewer service shows Richmond will qualify for grant consideration as part of a funding package under the State Affordability Criteria. In accordance with the Board's Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, staff utilized data from the United State Census Bureau (census) website (<https://data.census.gov/cedsci/>) to calculate the Richmond's Financial Need Indicator (FNI). The calculated FNI is **1.28** which is the bottom of the range of the FNI. Staff compared this FNI to the percent modified MAGI in the Financial Burden Matrix and displayed the Financial Burden in Attachment 1.

Based on the Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, Alternative 1 would result in the community having a Financial Burden of **Low**.

STAFF COMMENTS

Richmond may need to expand the WRF's capacity to ensure that it can handle the current and future wastewater treatment from Lewiston and its community's growth. In order to allow Lewiston's wastewater to be sent to the WRF, Richmond needs to work on its WRF Master Plan. Richmond is requesting the Board to fund the WRF master planning process through a planning advance. Richmond is expecting to return to the Board with essential priority projects to implement after the planning process is complete, and have evaluated additional funding options by then.

The Board could authorize three separate types of approvals:

1. A Planning Advance to be repaid expeditiously at the time of project funding.
 - a. An authorization as an advance can be converted to a grant or short-term unsecured loan by the Board at a later date.
2. A Planning Advance as a Grant
3. A Planning Advance as a short-term unsecured loan.

Staff has included language and special conditions to facility whichever motion or combination of motions the Board might decide to make.

STAFF RECOMMENDATION:

Staff recommends **the Board authorize a planning advance of \$99,800 to Richmond under the following special conditions:**

1. The Design Advance must be expeditiously repaid to the Board once long-term project financing has been secured.
2. The Division of Water Quality (DWQ) must approve the engineering agreement and plan of study before the grant agreement will be executed.
3. Richmond must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).
4. As part of the facility planning, Richmond must complete a Water Conservation and Management Plan.

GRANT MOTION

The Board authorize a planning grant of \$XX,XXX to Richmond under the following special conditions:

1. This is a grant and will not be repaid.
2. DWQ must approve the engineering agreement and plan of study before the grant agreement will be executed.
3. Richmond must agree to participate annually in the MWPP.
4. As part of the facility planning, Richmond must complete a Water Conservation and Management Plan.

SHORT TERM UNSECURED LOAN MOTION

Staff recommends the Board authorize a planning advance of \$XX,XXX to Richmond at a short-term loan with an interest rate of 0% repayable over 5 years under the following special conditions:

1. The loan will be repaid in five annual installments beginning one year from the date the loan is fully disbursed or the project is otherwise completed.
2. DWQ must approve the engineering agreement and plan of study before the advance will be executed.
3. The City must agree to participate annually in the MWPP.
4. As part of the facility planning, Richmond must complete a Water Conservation and Management Plan.

Richmond Planning Advance

ATTACHEMENT 1
Richmond City - Water Quality Board
Short Term - 5 Year Loan Static Cost Model

Project Costs				Current Customer Base & User Charges			
Project Management							
Project Administration			\$ 5,000	Initial Total Customer (ERU's)			1,235
Meetings			\$ 5,300	MAGI for Richmod City (2021):			\$57,600
Internal QC review			\$ 4,000	Affordable Monthly Rate at 1.4%			\$67.20
Funding Assistance			\$ 1,300	Impact Fee (per ERU):			\$7,952
Master Plan Update							
Existing and Future Conditions			\$ 19,500	Current Monthly Fee (per ERU)			\$77.00
Permit Conditions			\$ 3,400	Existing Debt			\$228,600
Existing Treatment Evaluation			\$ 16,400	Annual O&M Collection System			\$137,768
Develop Improvement Alternatives			\$ 27,200	Annual O&M for Richmond's Treatment			\$835,078
Capital Improvement Plan			\$ 10,900				
Master Plan Report			\$ 6,800				
			TOTAL \$ 99,800				
				Funding Conditions			
				Short Loan Repayment Term: 5			

Project Funding	
WQB Planning Advance	\$ 99,800
Local Construction	\$ -
Total Project Cost:	\$ 99,800

ESTIMATED COST OF SEWER SERVICE

Principal Forgiveness	WQB Grant Percent	WQB Loan	WQB Loan Interest Rate	WQB Loan Debt Service	Annual O&M collection & Treatment	Existing Debt	Total Annual Sewer Cost	Monthly Sewer Cost/ ERU	Sewer Cost as % of MAGI	Financial Burden
99,800	100%	0	0.00%	0	972,846	\$228,600	1,201,446	81.07	1.69%	Low
80,000	80%	19,800	0.00%	3,960	972,846	\$228,600	1,205,406	81.34	1.69%	Low
75,000	75%	24,800	0.00%	4,960	972,846	\$228,600	1,206,406	81.40	1.70%	Low
50,000	50%	49,800	0.00%	9,960	972,846	\$228,600	1,211,406	81.74	1.70%	Low
25,000	25%	74,800	0.00%	14,960	972,846	\$228,600	1,216,406	82.08	1.71%	Low
-	0%	99,800	0.00%	19,960	972,846	\$228,600	1,221,406	82.42	1.72%	Low

FNI Calculation	Richmond City					
	Local Value	State Value	Score	Weighting Factor	Weighting Score	
Unemployment Rate	3.0%	3.6%	1.70	4	6.80	
Poverty Rate	4.7%	8.8%	1.00	2.5	2.50	
Threshold LQI	\$46,457	\$37,685	1.00	2.5	2.50	
Population Growth Rate	19.1%	19.0%	1.00	1	1.00	
Financial Need Indicator (Sum of weighted Scores/10)					1.28	

FNI	Financial Burden Matrix				
	Modified MAGI				
	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	low	low	Medium	High
1.5 to 2.5	Medium	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High

2020 5 year ACS Table

** <https://data.census.gov/cedsci/>

ATTACHEMENT 1
Richmond City - Water Quality Board
Short Term - 5 Year Loan Static Cost Model

Project Costs	
Project Management	
Project Administration	\$ 5,000
Meetings	\$ 5,300
Internal QC review	\$ 4,000
Funding Assistance	\$ 1,300
Master Plan Update	
Existing and Future Conditions	\$ 19,500
Permit Conditions	\$ 3,400
Existing Treatment Evaluation	\$ 16,400
Develop Improvement Alternatives	\$ 27,200
Capital Improvement Plan	\$ 10,900
Master Plan Report	\$ 6,800
TOTAL	\$ 99,800

Current Customer Base & User Charges	
Initial Total Customer (ERUs)	1,235
MAGI for Richmond City (2021):	\$57,600
Affordable Monthly Rate at 1.4%	\$67.20
Impact Fee (per ERU):	\$7,952
Current Monthly Fee (per ERU)	\$77.00
Existing Debt	\$228,600
Annual O&M Collection System	\$137,768
Annual O&M for Richmond's Treatment	\$835,078

Funding Conditions	
Short Loan Repayment Term:	5

Project Funding	
WQB Planning Advance	\$ 99,800
Local Construction	\$ -
Total Project Cost:	\$ 99,800

ESTIMATED COST OF SEWER SERVICE

Principal Forgiveness	WQB Grant Percent	WQB Loan	WQB Loan Interest Rate	WQB Loan Debt Service	Annual O&M collection & Treatment	Existing Debt	Total Annual Sewer Cost	Monthly Sewer Cost/ ERU	Sewer Cost as % of MAGI	Financial Burden
99,800	100%	0	0.00%	0	972,846	\$228,600	1,201,446	81.07	1.69%	Low
80,000	80%	19,800	0.00%	3,960	972,846	\$228,600	1,205,406	81.34	1.69%	Low
75,000	75%	24,800	0.00%	4,960	972,846	\$228,600	1,206,406	81.40	1.70%	Low
50,000	50%	49,800	0.00%	9,960	972,846	\$228,600	1,211,406	81.74	1.70%	Low
25,000	25%	74,800	0.00%	14,960	972,846	\$228,600	1,216,406	82.08	1.71%	Low
-	0%	99,800	0.00%	19,960	972,846	\$228,600	1,221,406	82.42	1.72%	Low

FNI Calculation Richmond City					
	Local Value	State Value	Score	Weighting Factor	Weighting Score
Unemployment Rate	3.0%	3.6%	1.70	4	6.80
Poverty Rate	4.7%	8.8%	1.00	2.5	2.50
Threshold LQI	\$46,457	\$37,685	1.00	2.5	2.50
Population Growth Rate	19.1%	19.0%	1.00	1	1.00
Financial Need Indicator (Sum of weighted Scores/10)					1.28

2020 5 year ACS Table [** https://data.census.gov/cedsci/](https://data.census.gov/cedsci/)

Financial Burden Matrix					
FNI	Modified MAGI				
	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	low	low	Medium	High
1.5 to 2.5	Medium	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High

2020 Population for 5 years	2,881.00	3,231,370.0
2010 Population for 5 years	2,418.00	2,715,379.0
	463	515,991
Population growth	19%	19%

ATTACHEMENT 1
Richmond City - Water Quality Board
Short Term - 5 Year Loan Static Cost Model

Project Costs	
Project Management	
Project Administration	\$ 5,000
Meetings	\$ 5,300
Internal QC review	\$ 4,000
Funding Assistance	\$ 1,300
Master Plan Update	
Existing and Future Conditions	\$ 19,500
Permit Conditions	\$ 3,400
Existing Treatment Evaluation	\$ 16,400
Develop Improvement Alternatives	\$ 27,200
Capital Improvement Plan	\$ 10,900
Master Plan Report	\$ 6,800
TOTAL	\$ 99,800

Current Customer Base & User Charges	
Initial Total Customer (ERUs)	1,235
MAGI for Richmond City (2021):	\$57,600
Affordable Monthly Rate at 1.4%	\$67.20
Impact Fee (per ERU):	\$7,952
Current Monthly Fee (per ERU)	\$77.00
Existing Debt	\$228,600
Annual O&M Collection System	\$137,768
Annual O&M for Richmond's Treatment	\$835,078

Funding Conditions	
Short Loan Repayment Term:	5

Project Funding	
WQB Planning Advance	\$ 99,800
Local Construction	\$ -
Total Project Cost:	\$ 99,800

ESTIMATED COST OF SEWER SERVICE

Principal Forgiveness	WQB Grant Percent	WQB Loan	WQB Loan Interest Rate	WQB Loan Debt Service	Annual O&M collection & Treatment	Existing Debt	Total Annual Sewer Cost	Monthly Sewer Cost/ ERU	Sewer Cost as % of MAGI	Financial Burden
99,800	100%	0	0.00%	0	972,846	\$228,600	1,201,446	81.07	1.69%	HIGH
80,000	80%	19,800	0.00%	3,960	972,846	\$228,600	1,205,406	81.34	1.69%	HIGH
75,000	75%	24,800	0.00%	4,960	972,846	\$228,600	1,206,406	81.40	1.70%	HIGH
50,000	50%	49,800	0.00%	9,960	972,846	\$228,600	1,211,406	81.74	1.70%	HIGH
25,000	25%	74,800	0.00%	14,960	972,846	\$228,600	1,216,406	82.08	1.71%	HIGH
-	0%	99,800	0.00%	19,960	972,846	\$228,600	1,221,406	82.42	1.72%	HIGH

FNI Calculation Richmond City					
	Local Value	State Value	Score	weighting Factor	weighting Score
Unemployment Rate	3.0%	3.6%	1.70	4	6.80
Poverty Rate	4.7%	8.8%	1.00	2.5	2.50
Threshold LQI	\$46,457	\$37,685	1.00	2.5	2.50
Population Growth Rate	19.1%	19.0%	1.00	1	1.00
Financial Need Indicator (Sum of weighted Scores/10)					1.28

2020 5 year ACS Table [** https://data.census.gov/cedsci/](https://data.census.gov/cedsci/)

Financial Burden Matrix					
FNI	Modified MAGI				
	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	low	low	Medium	High
1.5 to 2.5	Medium	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High

2020 Population for 5 years	2,881.00	3,231,370.0
2010 Population for 5 years	2,418.00	2,715,379.0
	463	515,991
Population growth	19%	19%

Select this Table or 2020: if available | [Links to Utah tables](#)

S2301	2021: ACS 5-Year Estimates Subject	https://data.census.gov/cedsci/table?q=s2301%20utah&i
S1701	2021: ACS 5-Year Estimates Subject	https://data.census.gov/cedsci/table?q=s1701%20utah&i
B19080	2021: ACS 5-Year Estimates Detailed	https://data.census.gov/cedsci/table?q=B19080%20utah&tid=ACSDT5Y2020.B19080
B01003	2021: ACS 5-Year Estimates Detailed	https://data.census.gov/table?q=B01003+utah&tid=ACSDT5Y2020.B01003
B01003	2011: ACS 5-Year Estimates Detailed	https://data.census.gov/cedsci/table?q=B01003%20utah&tid=ACSDT5Y2010.B01003
	Calculated	



State of Utah

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Joseph Havasi
Trevor Heaton
Robert Fehr
Jill Jones
Kimberly D. Shelley
John K. Mackey
Executive Secretary

WATER QUALITY BOARD REQUEST FOR SUPPLEMENTAL FUNDING

APPLICANT: Hanksville Town
30 South Highway 95
PO Box 127
Hanksville, Utah 84734

PRESIDING OFFICIAL: Mayor Jeffren Pei

CONTACT: Lisa Wells, Clerk

TREASURER/RECORDER: Jessica Alvey

CONSULTING ENGINEER: Daniel Hawley, Jones & DeMille Engineering

APPLICANT'S REQUEST

Hanksville Town (Hanksville) is requesting supplemental funding of \$180,000 to complete repairs to their flood damaged wastewater treatment lagoons.

APPLICANT'S LOCATION

Hanksville is located in Wayne County, Utah.



PROJECT NEED

On September 2, 2021, a major flash flooding event along the Fremont River caused the water in the river to over top the existing wastewater lagoons embankments. The flooding event eroded dikes, impacted headworks structures, impacted transfer structures, and silted in portions of the ponds before spilling back over the dikes into the river. As a result of the flooding event there is a need to repair the current lagoons to ensure proper operation. Hanksville was authorized a \$36,600 planning advance at the December 15, 2021 Water Quality Board (Board) meeting to develop a capital facility plan that prepared Hanksville to repair lagoon embankments, remove sediment deposits, evaluate the current capacity, and evaluate any additional improvements beyond the necessary repair.

Based on the capital facility plan that was created the following recommendations were made to the Hanksville:

1. Increase exterior dike height to prevent future flooding;
2. To balance the seasonal flow variations more efficiently and maintain healthy lagoon depth, divide the secondary cell into two (2) cells, for a total of three (3) cells;
3. Reconstruct the clay liners to meet the hydraulic conductivity of 1×10^{-6} cm/s (Utah Administrative Code (UAC) R317-3-10.3.E.2);
4. Lower the first cell to allow for more hydraulic head between the flume and water surface of the primary cell; and
5. Install a new headworks structure.

The preliminary opinion of probable costs for the above projects was \$2,030,600. A visual of these wastewater lagoon improvements can be found in Attachment 2.

PROJECT DESCRIPTION

Hanksville's wastewater treatment facility is classified as a non-discharging wastewater treatment lagoon under the General Operating Permit for Non-discharging Lagoons, Coverage No. UTOP00119. In addition to Hanksville's need to increase dike height, the lagoons have trouble maintaining three (3) feet depth of water during the winter months. To maintain water depth, canal water is pumped into the lagoons. Hanksville would like to divide the secondary cell into two (2) to help maintain a consistent depth in the lagoons. Other recommended improvements include: lowering the first cell to allow for more hydraulic head between the flume and water surface of the primary cell; routing a section of pipe directly from the flume to the secondary cell for operational maintenance; and increasing the exterior dike height to better protect the cells from potential future flood events. The recommended increase in height is based on high water marks at the site along with accounts from Hanksville personnel of reported floodwater depths. Hanksville will also upgrade their headworks structure. Finally, the hydraulic conductivity of the clay liners will be assessed to determine whether or not the clay liners need to be replaced. The replacement of clay liners was assumed into the probable costs. On August 24, 2022, the Board authorized a design advance in the amount of \$162,000 to fund the completion of the engineering plans for construction.

On October 26, 2022, the Board authorized funding of \$1,694,600 as principal forgiveness and \$350,000 as loan at an interest rate of 0% repayable over 30 years based on the amount of need from the engineering estimate. In addition, Hanksville has a local contribution of \$26,000 and an American Rescue Plan Act (ARPA) grant of \$26,000. This loan amount was set because it increases Hanksville's sewer rate to \$31.96 or 1.51% of MAGI which qualifies the community for principal forgiveness.

PROJECT COSTS

The project was bid in October 2023. Project costs are broken down into two (2) expense types: Utah Wastewater Loan Fund (UWLF) eligible and Clean Water State Revolving Fund (CWSRF) eligible. This is due to not all expenses being CWSRF eligible and the funding sources must be different. CWSRF funds apply to ARPA funds. In total the project is short \$37,851 in funding if repayment of the planning advance and design advance are required at the time of loan closing in accordance with the current Board authorization. Hanksville is looking for assistance to make up this difference and have some funding for construction contingency.

UWLF Eligible	
<i>Engineering/Bonding Costs</i>	
Planning	\$ 36,600
Preconstruction Engineering	\$ 173,000
CMS	\$ 135,000
Top Survey	\$ 13,000
Construction Staking	\$ 20,000
Bonding	\$ 30,000
Total	\$ 407,600
<i>Available Funds</i>	
UWLF Loan	\$ 350,000
Town funds	\$ 26,000
Total Funds	\$ 376,000
UWLF Short funds	\$ (31,600)

CWSRF Eligible	
<i>Construction Costs</i>	
Construction Bid	\$ 1,714,349
<i>Available Funds</i>	
Principal Forgiveness	\$ 1,694,600
Town ARPA Funds	\$ 26,000
Total Funds	\$ 1,720,600
Short funds \$0 contingency	\$ (6,251)
<i>Additional Funds</i>	
Additional Funds	\$ 143,400
Contingency Funds	8.0%

IMPLEMENTATION SCHEDULE

The estimated construction completion is Fall of 2024.

USER RATES

Currently, Hanksville has a monthly sewer fee of \$15.50. If Hanksville was required to find a private loan in the amount of \$2,044,600 their sewer cost as a percent of MAGI would be 6.20%. If Hanksville was provided a Board loan in the amount of \$2,044,600, their sewer cost as a percent of MAGI would be 4.94%. If Hanksville was provided \$1,300,000 or \$1,694,600 in principal forgiveness, their sewer cost as a percent of MAGI would be 2.31% or 1.5%, respectively.

To pay for this project, Hanksville is in the process of increasing their current monthly fee per equivalent residential unit from \$15.50 to more than \$32. This resolution is scheduled to be passed during the December 2024 Hanksville Town Council meeting.

FINANCIAL BURDEN EVALUATION

Updated funding alternatives that include various mixtures of loan and grant are provided in Attachment 1. Based on the Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, the community has a Financial Burden of: **High**. The August 2022 Board Feasibility Report is included as Attachment 3.

LOAN RATES

The suggested interest rate is calculated in the table below:

Market Rate (20-year basis)	4.80%	
Discount Factors	Maximum Discount	Recommended Discount
SRF Programmatic Costs	1.00%	1.00%
Rural/Disadvantaged Community	1.00%	1.00%
Fiscal Sustainability Credit	0.50%	0.00%
Existing Asset Management Plan	0.50%	0.00%
Green Project Reserve	0.50%	0.00%
Regionalization	0.25%	0.00%
Economic Hardship	4.80%	2.80%
Recommended Interest Rate	0.00%	

Staff believes the project needs to be funded with a significant portion of funding as principal forgiveness to make the project affordable. Staff believes without Board funding a project will not occur. It is worth noting that every \$50,000 in loan results in a 0.1% of MAGI rate increase or \$2.14/month per connection. As Hanksville continues to repair and recover from the flood event, staff believes it is appropriate for the Board to target at rate as close to 1.5% MAGI.

STAFF COMMENTS

Rates must exceed the State Affordability Criteria for Hanksville to receive principal forgiveness. The Board has a few options to address the insufficient funds:

1. the Board could authorize forgiveness of the Planning Advance (\$36,600) as a grant;
2. forgiveness of the Design Advance (\$186,000) as a grant;
3. conditional forgiveness of the advances as grant after all loan funds have been fully expended;
4. authorization of additional loan funds; and
5. authorization of additional principal forgiveness.

Staff believes conditional forgiveness of the planning advance (\$36,600) at full expenditure of loan funds is a balanced approach. Since this project is very challenging and an additional loan would have substantial financial impacts for Hanksville, staff recommends additional principal forgiveness of \$143,400 be authorized. These supplemental principal forgiveness funds are a contingency and will only be used if issues occur under the construction contract. This approach would require Hanksville to expend the loan funds making them eligible for principal forgiveness and address insufficient funding for both the UWLF eligible expenses and CWSRF eligible expenses.

STAFF RECOMMENDATIONS

Staff recommends the Board **authorized \$36,600 Planning Advance to Hanksville be forgiven as a planning grant** under the following special conditions.

1. The planning advance may be only be forgiven once the loan funds are fully expended.
2. If loan funds are available at the completion of the project the balance will be used to repay some or all of the advance with the remainder of the advance being forgiven.
3. Hanksville must agree to participate annually in Municipal Wastewater Planning Program (MWPP).

Staff recommends the Board **reauthorize Hanksville's funding in the amount of \$1,838,000 as principal forgiveness and \$350,000 as loan at an interest rate of 0% repayable over 30 years** under the following special conditions:

1. Hanksville must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).
2. As part of the facility planning, Hanksville must complete a Water Conservation and Management Plan.
3. Hanksville must develop, commit to adopt, and implement a capital asset management plan that is consistent with EPA's Fiscal Sustainability Plan guidance.

Attachment 1: Hanksville 30-Year Loan Static Cost Model

Project Costs					Current Customer Base & User Charges								
Legal/Bonding		\$		15,000	Initial Total Customer (ERU's)				81				
Loan Origination Fee		\$		25,000	MAGI for Hanksville Town (2020):				\$25,400				
Planning Advance					Affordable Monthly Rate at 1.4%				\$29.63				
Engineering - Design		\$		188,000	Impact Fee (per ERU):				\$0				
Engineering - CMS		\$		135,000	Current Monthly Fee (per ERU)				\$15.50				
Wastewater Treatment Plant		\$		1,483,000	Debt Service				\$3,228				
Contingency (13%)		\$		188,000	Annual O&M expense				\$13,250				
Total Project Cost:		\$		2,214,000									
Project Funding					Funding Conditions								
Local Contribution		\$		26,000	Loan Repayment Term:				30				
Amount to be Funded		\$		2,188,000	Reserve Funding Period				6				
WQB Grant		\$		-									
Total Project Cost:		\$		2,214,000									
ESTIMATED COST OF SEWER SERVICE													
Principal Forgiveness	WQB Loan	Private Loan Amount	WQB Loan Interest Rate	Private Loan Interest Rate*	WQB Loan Debt Service	WQB Loan Reserve	Private Loan Debt Service	Annual Sewer	Existing Debt Service	Total Annual Sewer Cost	Monthly Sewer Cost/ERU	Sewer Cost as % of MAGI	Financial Burden
	0	2,188,000	0.00%	3.50%	0	0	118,964	13,250	3228	135,442	139.34	6.58%	HIGH
	2,188,000	0	0.00%	3.50%	72,933	18,233	0	13,250	3228	107,645	110.75	5.23%	HIGH
1,337,600	850,400	0	0.00%	3.50%	28,347	7,087	0	13,250	3228	51,911	53.41	2.52%	HIGH
1,437,600	750,400	0	0.00%	3.50%	25,013	6,253	0	13,250	3228	47,745	49.12	2.32%	MEDIUM
1,537,600	650,400	0	0.00%	3.50%	21,680	5,420	0	13,250	3228	43,578	44.83	2.12%	MEDIUM
1,637,600	550,400	0	0.00%	3.50%	18,347	4,587	0	13,250	3228	39,411	40.55	1.92%	MEDIUM
1,737,600	450,400	0	0.00%	3.50%	15,013	3,753	0	13,250	3228	35,245	36.26	1.71%	LOW
1,787,600	400,400	0	0.00%	3.50%	13,347	3,337	0	13,250	3228	33,161	34.12	1.61%	LOW
1,838,000	350,000	0	0.00%	3.50%	11,667	2,917	0	13,250	3228	31,061	31.96	1.51%	LOW
1,888,000	300,000	0	0.00%	3.50%	10,000	2,500	0	13,250	3228	28,978	29.81	1.41%	LOW
*Staff Estimate													
FNI Calculation						Financial Burden Matrix							
	Local Value	State Value	Score	Weighting Factor	Weighting Score	Modified MAGI							
Unemployment Rate	0.0%	3.6%	1.00	4	4.00	FNI	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45		
Poverty Rate	5.7%	9.1%	1.00	2.5	2.50	Below 1.5	Low	Low	Medium	Medium	High		
Threshold LQI	\$ 19,700	\$ 35,445	2.78	2.5	6.95	1.5 to 2.5	Low	Medium	Medium	High	High		
Population Growth Rate	17.6%	18.6%	1.11	1	1.11	Above 2.5	Medium	Medium	High	High	High		
Financial Need Indicator (Sum of weighted Scores/10)						1.46							
2020 5 year ACS Table						https://data.census.gov/cedsci/							

Attachment 2: Wastewater Lagoon Improvements





State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of Environmental Quality

Kimberly D. Shelley
Executive Director

DIVISION OF WATER QUALITY
John K. Mackey, P.E.
Director

Water Quality Board
Steven K. Earley, Chair
James Webb, Vice Chair
Carly Castle
Brandon Gordon
Michela Harris
Joseph Havasi
Trevor Heaton
Michael D. Luers
Kimberly D. Shelley
John K. Mackey
Executive Secretary

WATER QUALITY BOARD FEASIBILITY REPORT FOR WASTEWATER TREATMENT PROJECT

INTRODUCTION

APPLICANT:

Hanksville Town
30 South Highway 95, PO Box 127
Hanksville, UT 84734
Telephone: (435) 542-3451

PRESIDING OFFICIAL

Mayor Jefren Pei

CONTACT:

Lisa Wells, Clerk

TREASURER:

Jessica Alvey

CONSULTING ENGINEER:

Daniel Hawley, Project Manager
Jones & DeMille Engineering
1535 South 100 West
Richfield, UT 84701
(435) 896-8266

BOND COUNSEL:

Chamberlain Associates
225 North 100 East
Richfield, UT 84701
(435) 896-4461

FINANCIAL ADVISOR

None

APPLICANT'S REQUEST

Hanksville Town is requesting project construction financial assistance in the amount of \$2,007,600 to repair damaged lagoon embankments and protect them from future flood events. In addition, Hanksville Town is requesting a design advance in the amount of \$162,000 that is included within the funding application.

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APPLICANT’S LOCATION

Hanksville Town is located in Wayne County.



PROJECT BACKGROUND

The Town of Hanksville installed their total containment sewer lagoons and sewer collection system in the late 1980's. The existing lagoons are located along the banks of the Fremont River. The lagoons consist of two cells which are equal in size at about 3.4 acres each. The Town developed a sewer master plan on May 31, 2022 detailing water balance and necessary improvements for the lagoons.

PROJECT NEED

On September 2, 2021 a major flash flooding event along the Fremont River basin caused the water in the river to over top the existing sewer lagoons embankments and eroded out dikes, headworks structures, transfer structures, and silted in portions of the ponds before spilling back over the dikes into the river. Therefore, there is a need to repair the current lagoons to ensure proper operation. Along with lagoon repairs the lagoons have trouble maintaining 3 feet of water during the winter

months when tourism is low. To maintain water depth, canal water is pumped into the lagoons. Therefore, the Town would like to divide the secondary cell to help maintain a consistent depth in the lagoons.

PROJECT DESCRIPTION

To balance the seasonal flow variations more efficiently and maintain healthy lagoon depth it is proposed that the secondary cell be divided by one dike into two cells for a total of three cells. It is recommended that the clay liner in all the ponds be reconstructed. By dividing the secondary cell such that the downstream cell from the primary cell is 1.0 acre, a better balance between the primary and secondary can be struck to maintain 3 feet in each cell with little supplemental canal water addition. Based on the water balance, some canal water will still be needed to be used to increase the water depth slightly to maintain 3-foot depth in both cells through the winter months. If growth projections are correct, supplemental canal water will only be needed until 2031. Where canal water currently comes at little to no cost to the town this option is recommended. Attachment 2 shows the proposed improvements.

In addition to maintaining minimum water depth, other improvements are recommended. These include lowering the first cell to allow for more hydraulic head between the flume and water surface of the primary cell, routing a section of pipe directly from the flume to the secondary cell for operational maintenance, and increasing the exterior dike height to prevent future flood events from damaging the cells again. The recommended increase in height is based on high water marks at the site along with accounts from town personnel of reported floodwater depths. With this information a hydraulic analysis of the lagoon site was performed to determine a new proposed outer dike elevation that would provide three feet of freeboard between a design flood event and the top of the dike.

The hydraulic conductivity of the existing clay liner of the primary and secondary ponds will be evaluated to ensure it is near 8×10^{-7} cm/s. If the hydraulic conductivity of the clay liner is higher or lower than this value, the clay liner must be rehabilitated or modified to match the target value. For cost estimating purposes it was assumed that the liner is not in good condition and will need to be replaced.

ALTERNATIVES EVALUATED

Other than the water balance analysis, other factors that influence the preliminary design include: minimize the amount of earthwork needed to rehabilitate the existing lagoons; mitigate the hazards posed by future flood events such as additional bank armoring; use existing facilities and equipment where possible; and maintain the same relative footprint of the lagoons/facility area. A design that follows these parameters will provide a safe cost-effective solution for the wastewater treatment problems in Hanksville. In addition to these improvements, the flume structure should be replaced, and new equipment installed to better monitor and measure inflows. It may also be beneficial to video and clean some of the sewer pipe upstream from the flume structure.

POSITION ON PROJECT PRIORITY LIST

Hanksville Town is currently ranked No. 6 of 10 on the FY 2023 Wastewater Treatment Project Priority List (PPL).

POPULATION GROWTH

Based on the 2010 US Census data the 2020 population was 281. According to the State's projections the Town of Hanksville has a growth rate of 18% from 2010 to 2020. This results in a build out population of 462 people in 2050.

Year	Population
2020	281
2040	391
2050	462

PUBLIC PARTICIPATION AND DEMONSTRATION OF PUBLIC SUPPORT

The Town of Hanksville has held several public town council meetings where the repairs of the lagoons was discussed.

EFFORTS TO SECURE FINANCING FROM OTHER SOURCES

The Town of Hanksville applied for ARPA funds and is applying \$26,000 of local ARPA funds to Design costs.

IMPLEMENTATION SCHEDULE

The estimated completion date for lagoon rehabilitation and improvements is early 2024.

APPLICANT'S CURRENT USER CHARGE

Currently, Hanksville Town charges approximately \$15.50 per ERU. According to the Utah Water Quality Board's criteria of 1.4% MAGI (\$25,400 for Hanksville), a rate of \$29.63 per month for wastewater service should be exceeded for grant consideration. The impact fee is \$0 and the hookup fee is \$1,000.

COST ESTIMATE

The total cost of the design advance is estimated to be \$188,000. A breakdown of these costs follows.

Consulting Engineer	\$120,000
Legal	\$15,000
Survey	\$13,000
Environmental	\$10,000
Geotechnical Report	\$30,000
Total Design Advance Cost	\$188,000

The total cost of the project is estimated to be \$2,055,600. A breakdown of these costs follows:

Admin (Legal Fees and Financial)	\$15,000
Planning	\$36,600
Design	\$188,000
CMS	\$135,000
Loan Origination Fee	\$25,000
Wastewater Treatment Plant	\$1,671,000 (\$188,000 Contingency)
Total Project Costs	\$2,070,600

COST SHARING

The total cost of project funding is \$2,070,600.

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
ARPA Funds (Advanced for Master Plan)	\$26,000	1%
WQB Funding	\$2,044,600	99%

ESTIMATED ANNUAL COST FOR SEWER SERVICE

Different funding options result in different annual sewer costs. A 30-year loan cost model is shown in Attachment 1, which analyzes many possible funding options. The resulting total annual sewer cost is shown for each funding option.

STAFF COMMENTS CONSTRUCTION FUNDING

Looking at the cost model, Hanksville can afford a loan of approximately \$225,000 to \$750,000 and be in the Low to Medium affordability range (1.4% to 2.45% respectively). In addition, to achieve an affordable project a substantial amount of grant money must be brought to this project. Typically, the Board does not require funding of a reserve payment or funding of an emergency repair and replacement fund. Staff believes it may be appropriate to require funding the emergency repair and replacement fund for the full value of the project. The applicant’s construction funding request is only a project introduction. Staff believes that this is an important project.

STAFF COMMENTS DESIGN ADVANCE

Staff supports the design advance to keep this project proceeding in a timely manner and funding of the design would cause a hardship on the community. Staff believes this should be funded as an Advance at this time and not a grant. During project funding it may be appropriate to apply the loan portion of a funding package to repay design services.

STAFF RECOMMENDATION

Staff recommends the Water Quality Board authorize a hardship design advance in the amount **\$162,000** to the Town of Hanksville under following the special conditions:

1. The Division of Water Quality must approve the engineering agreement and plan of design before the advance will be executed.
2. The Design Advance must be expeditiously repaid to the Board once long-term project financing has been secured.
3. The City must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).
4. As part of the facility planning, the City must complete a Water Conservation and Management Plan.

ATTACHMENT 1

ATTACHMENT 1
HANKSVILLE - Water Quality Board
30 Year Loan Static Cost Model

Project Costs

Legal/Bonding	\$	15,000
Loan Origination Fee	\$	25,000
Planning Advance	\$	36,600
Engineering - Design	\$	188,000
Engineering - CMS	\$	135,000
Wastewater Treatment Plant	\$	1,483,000
Contingency (13%)	\$	188,000
Total Project Cost:	\$	2,070,600

Current Customer Base & User Charges

Initial Total Customer (ERU's)	81
MAGI for Hanksville Town (2020):	\$25,400
Affordable Monthly Rate at 1.4%	\$29.63
Impact Fee (per ERU):	\$0
Current Monthly Fee (per ERU)	\$15.50
Debt Service	\$3,228
Annual O&M expense	\$13,250

Project Funding

Local Contribution	\$	26,000
Amount to be Funded	\$	2,044,600
WQB Grant	\$	-
Total Project Cost:	\$	2,070,600

Funding Conditions

Loan Repayment Term:	30
Reserve Funding Period:	6

ESTIMATED COST OF SEWER SERVICE

Principal Forgiveness	WQB Loan	Private Loan Amount	WQB Loan Interest Rate	Private Loan Interest Rate*	WQB Loan Debt Service	WQB Loan Reserve	Private Loan Debt Service	Annual Sewer	Existing Debt Service	Total Annual Sewer Cost	Monthly Sewer Cost/ ERU	Sewer Cost as % of MAGI	Financial Burden
	0	2,044,600	0.00%	3.50%	0	0	111,168	13,250	3228	127,646	131.32	6.20%	HIGH
	2,044,600	0	0.00%	3.50%	68,153	17,038	0	13,250	3228	101,670	104.60	4.94%	HIGH
1,300,000	744,600	0	0.50%	3.50%	26,790	6,697	0	13,250	3228	49,965	51.40	2.43%	MEDIUM
1,400,000	644,600	0	1.00%	3.50%	24,977	6,244	0	13,250	3228	47,699	49.07	2.32%	MEDIUM
1,500,000	544,600	0	1.50%	3.50%	22,677	5,669	0	13,250	3228	44,824	46.12	2.18%	MEDIUM
1,600,000	444,600	0	2.00%	3.50%	19,851	4,963	0	13,250	3228	41,292	42.48	2.01%	MEDIUM
1,650,000	394,600	0	0.00%	3.50%	13,153	3,288	0	13,250	3228	32,920	33.87	1.60%	LOW
1,700,000	344,600	0	1.50%	3.50%	14,349	3,587	0	13,250	3228	34,414	35.41	1.67%	LOW
1,750,000	294,600	0	1.50%	3.50%	12,267	3,067	0	13,250	3228	31,812	32.73	1.55%	LOW
1,800,000	244,600	0	2.00%	3.50%	10,921	2,730	0	13,250	3228	30,130	31.00	1.46%	LOW

*Staff Estimate

FNI Calculation				
	Local Value	State Value	Score	Weighting Factor
Unemployment Rate	0.0%	3.6%	1.00	1.95
Poverty Rate	5.7%	9.1%	1.00	2.50
Threshold LQI	\$ 19,700	\$ 33,445	1.00	2.78
Population Growth Rate	17.6%	18.6%	1.11	1.11
Financial Need Indicator (Sum of weighted Scores/10)				1.46

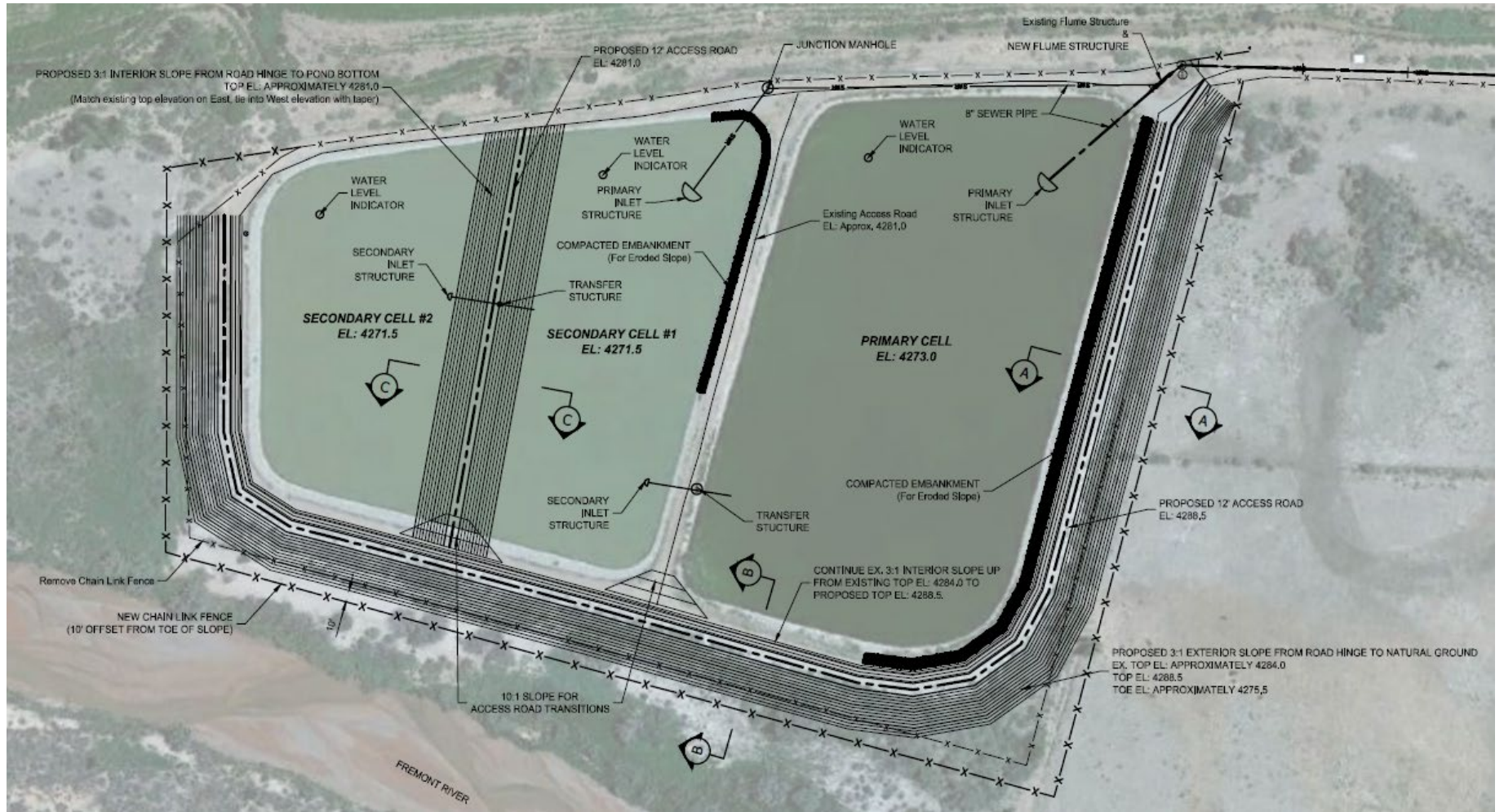
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Financial Burden Matrix					
FNI	Modified MAGI				
	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	Low	Medium	Medium	High
1.5 to 2.5	Low	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High

ATTACHMENT 2





State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of
Environmental Quality

Kimberly D. Shelley
Executive Director

DIVISION OF WATER QUALITY
John K. Mackey, P.E.
Director

Water Quality Board
James Webb, Chair
Michelle Kaufusi, Vice Chair
Carly Castle
Michela Harris
Joseph Havasi
Trevor Heaton
Robert Fehr
Jill Jones
Kimberly D. Shelley
John K. Mackey
Executive Secretary

MEMORANDUM

TO: Utah Water Quality Board

THROUGH: John K. Mackey, P.E.
Executive Secretary

FROM: Emily Cantón
Assistant Director

DATE: December 1, 2023

SUBJECT: Public Comment for FY25 Fee Schedule Change

During the 2023 General Session of the Utah State Legislature, House Bill 513 – Great Salt Lake Amendments was passed, which requires the Department of Environmental Quality (DEQ) to review Great Salt Lake mineral extractor operator certifications to ensure the operation will not negatively impact the biota or chemistry of the Great Salt Lake. DEQ submitted a fiscal note for HB513 and indicated that a fee would be collected for ongoing costs related to these reviews.

A fee for “Technical Review of and assistance given” is currently on the DEQ FY25 Draft Fee Schedule. The fee is an hourly rate that is calculated by the DEQ Office of Support Services, which for FY25 is \$125/hr. We are proposing that “Great Salt Lake Certifications” be added to this fee as seen below:

<u>Technical Review of and assistance given (per hour)</u>	\$125.00 ^a
401 Certification; permit appeals; and sales and use tax exemptions; waste-load analysis; Great Salt Lake Certifications	

DEQ did not have this information available during the fee hearing on September 11, 2023. Therefore, this meeting will serve as a public hearing to receive oral comment on this change. Any public comments regarding the proposed change outlined today will be taken into consideration during the Legislative approval process.