

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION LOAN**

APPLICANT'S REQUEST

On June 6, 2022, Austin Community Special Service District was authorized financial assistance to regionalize with the nearby Lizard Bench Water Association and unincorporated West Austin. The project addresses several public health issues and includes infrastructure improvements including spring redevelopment, a new 120,000-gallon storage tank, distribution system upgrades, and interconnections to all three areas.

The total project cost in June 2022 was estimated at \$3,210,000 and the District received the following assistance authorization: a \$2,269,000 state ARPA grant, a \$500,000 Sevier County ARPA grant, and a \$436,000 State DWSRF loan at 1.88% interest for 30 years. The District also committed to contributing \$5,000 cash towards the project.

The District went out to bid in December 2023 and the bids came in much higher than expected. Total project cost is now estimated at \$4,765,000. The District has approached the Community Impact Board and received \$1,000,000 in grant funding to make up some of the shortfall but still needs an additional \$555,000 to complete the project. They are requesting this **\$555,000 as additional financial assistance from the Drinking Water Board.**

STAFF COMMENTS

Austin SSD serves approximately 150 residents with 52 total connections; Lizard Bench serves approximately 63 people with 22 connections; West Austin is a residential development with 11 connections, most of which share a single well between two houses. The MAGI for Elsinore (the closest town with similar demographics) is \$35,200 which is 76% of the State MAGI. The current average water bill for Austin customers is \$37.64/month, which is 1.28% of the local MAGI. The after-project water bill at a full loan (factoring in 33 new connections) would be \$173.58 which is 5.92% of the local MAGI.

Based on population, rural location, local MAGI, and after-project water bill, the district qualifies to be considered for American Rescue Plan Act of 2021 (ARPA) grant funding and additional subsidy under the drinking water SRF program.

Option	Loan/ Grant	DWSRF Loan	DWSRF Grant	ARPA Grant	Term	Interest	Water Bill	% Local MAGI
Original	84 / 16	\$436,000	\$0	\$2,269,000	30 yrs	1.88%	\$51.46	1.75%
1	77 / 23	\$760,000	\$231,000	\$2,269,000	20 yrs	0.0%	\$81.61	2.78%
2	77 / 23	\$760,000	\$231,000	\$2,269,000	30 yrs	0.0%	\$59.40	2.01%
3	77 / 23	\$760,000	\$231,000	\$2,269,000	39 yrs	0.0%	\$51.88	1.77%

STAFF RECOMMENDATION

This project was not presented to the Financial Assistance Committee. The original Board authorization under conditions applied to ARPA funding included an average residential monthly water bill equal to 1.75% of the local medial adjusted gross income. It is also Board policy and precedent that when consolidating or regionalizing water systems the system that absorbs a struggling or out-of-compliance neighboring system is held harmless, to the extent possible.

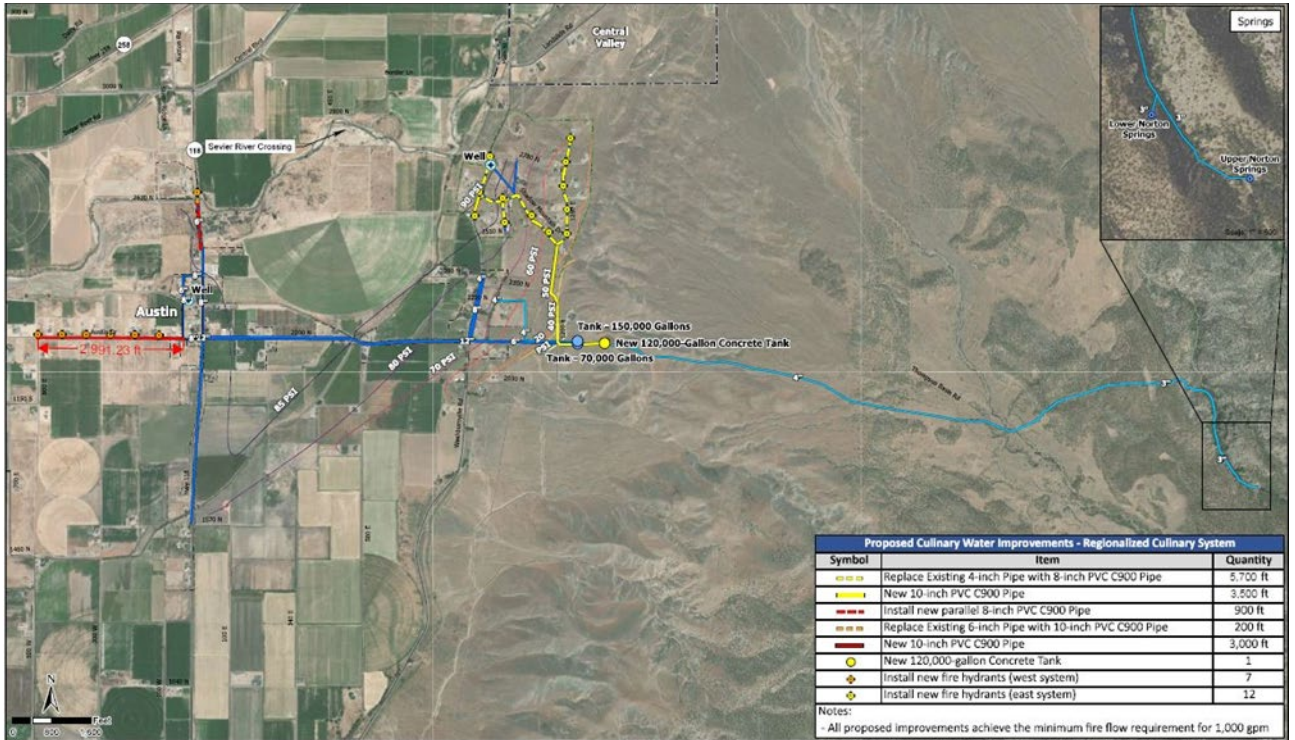
Based on these criteria, staff proposes the Board consider the following:

1st: The Drinking Water Board deauthorize the \$436,000 state DWSRF construction loan at 1.88% interest for 30 years to Austin Community Special Service District authorized on June 6, 2022.

2nd: The Drinking Water Board authorize a \$760,000 state DWSRF construction loan at 0% interest for 39 years and a \$231,000 state DWSRF construction grant to Austin Community Special Service District to regionalize with the nearby Lizard Bench Water Association and unincorporated West Austin to address public health issues through infrastructure improvements including spring redevelopment, building a new 120,000-gallon storage tank, and implementing distribution system upgrades and interconnections to all three areas.

APPLICANT’S LOCATION

The Austin Community Special Service District area is approximately 7 miles south of Richfield in Sevier County.



PROJECT DESCRIPTION

This project is the result of a series of regionalization studies and the most recent plan which was completed in April 2021. Homeowners in West Austin formed an HOA to seek out opportunities to regionalize. The county has encouraged regionalization for several years now so that the private water company of Lizard Bench and other high density unincorporated areas can receive the benefits provided by the special service district and reduce redundant infrastructure. Proposed system improvements are detailed below:

Source

The Upper Norton Spring needs to be redeveloped. The springs are currently suffering from root intrusion and water quality issues. Wetland vegetation has been cleared on an annual basis but regular maintenance has not been sufficient to maintain spring flows. It is possible that the source is affected by surface water as the collection area is in the bottom of a drainage and can be inundated with spring runoff. The spring is on National Forest System lands. Spring redevelopment is considered maintenance and should fit under the existing ROW and special use permit.

Improvements are also recommended for both well houses to include pump control valves to allow for automated pump-to-waste operations that have been previously completed manually upon well start-up. Flow meters and pressure transducers as well as SCADA upgrades will be made to tie the system together and to automate the wells to turn on as needed.

As part of the regionalization, water rights from Lizard Bench Water Association and the West Austin area will need to be transferred to Austin Community SSD.

Treatment

It is proposed that a new chlorine treatment facility be constructed near the existing tanks that would be capable of treating water from the Lizard Bench well and expanded in the future to include the Austin well and springs.

Storage

The Lizard Bench tank is failing, leaking, and poses risk of contamination. The tank needs to be abandoned. If maintaining a single pressure zone, Austin SSD has sufficient storage for its needs. This is including the regionalized system and for the 20-year planning period. However, several homes in the Lizard Bench area currently suffer from low pressures, with at least two homes having individual booster pumps, and several others below required pressures. It is proposed that a new tank be constructed at an appropriate elevation to provide the required pressures to homes in this upper pressure zone as well as the required fire suppression storage. The new tank will need a new ROW from the BLM to construct and maintain.

At this time, all the Lizard Bench area will be part of the newly formed upper pressure zone. In the future, other existing homes could possibly annex into the SSD and be serviced by the upper pressure zone. The tank size of 120,000 gallons is proposed. This will allow for 60,000 gallons of fire suppression storage and 60,000 gallons of equalization storage, or capacity for approximately 58 residential connections on the upper pressure zone plus 60,000 gallons of fire suppression. There will be between 30 and 40 homes on this tank upon the completion of this project.

Transmission and Distribution

The transmission line north of Austin was installed as part of the original distribution piping system and is believed to be a 2" galvanized line under the Sevier River. It was exposed in flood events several years ago but was reburied. The 2" line is also undersized to provide adequate fire flows to the hydrant at the end of that line. It is proposed that the line is replaced and that a new river crossing with sample stations be constructed with a new fire hydrant.

For the regionalized system, West Austin will be connected by 3,000 feet of 10" pipe (fire hydrants at 500 ft spacing). Lizard Bench's system is old, undersized, and will largely need to be replaced to provide fire protection and adequate flows. Pipe sizes vary from 8" to 10" to maintain pressure and flows. A dedicated 4" transmission line from the Lizard Bench well to the new tank is proposed as to allow chlorination near the existing

tanks by constructing a new chlorinator building and thus allowing proper contact time before chlorinated water enters the distribution system.

Some of the new loop lines will need easements to cross private property. Most of the waterline improvements fall in public right-of way or within existing easements. The pipeline replacement on the north end of Austin is in a UDOT ROW (State Route 118) and will require design coordination with UDOT and an encroachment permit during construction.

POPULATION GROWTH

Projected population and connections for the Austin Community SSD service area is based on a 2.0% growth rate estimated in their 2021 Culinary Water Study:

Year	Population	Connections
2024	272	85
2042	404	126

IMPLEMENTATION SCHEDULE

DWB Authorization	Feb 2024
Complete Design	Oct 2023
DDW Plan Approval	Dec 2023
Advertise for Bids	Oct 2023
Bid Opening/Loan Closing	Dec 2023
Begin Construction	May 2024
Complete Construction	June 2025
Receive DDW Operating Permit	July 2025

COST ESTIMATE

Legal/Bonding	\$ 10,100	
Water Rights	\$ 5,000	
Easements/Plat Maps	\$ 37,900	
Environmental	\$ 40,000	
Engineering – Design/Permitting	\$ 125,000	} ~10%
Engineering – CMS	\$ 225,000	
Engineering – Structural/Geotech/Survey	\$ 80,000	
Construction – spring redevelopment	\$ 500,000	
Construction – storage tank	\$ 1,190,000	
Construction – distribution system	\$ 2,177,000	
Contingency	\$ 375,000	~10%
Total Project Cost	\$ 4,765,000	

IPS SUMMARY

Code	Description	Physical Facilities	Quality & Monitoring	Significant Deficiencies
Austin SSD PWS: 21003				
M007	Cross connection control lacks ongoing enforcement	15		
SSL2	Vent not present (Norton Spring)	0		
	Total	15		
Lizard Bench Water Association PWS: 21050				
V021	Lizard Bench Tank roof or sidewalls show signs of mild or moderate deterioration	15		
SP04	Lizard Bench Well 1 lacks approved updates to the DWSP Plan	5		
	Total	20		

CONTACT INFORMATION

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