

Drinking Water Board Packet

September 24, 2024

Agenda



State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of Environmental Quality

Kimberly D. Shelley
Executive Director

DIVISION OF DRINKING WATER
Nathan Lunstad, Ph.D., P.E.
Director

Drinking Water Board
Kristi Bell, Chair
Eric Franson, P.E., Vice-Chair
Dawn Ramsey
Justin Maughan
Corinna Harris
Jeff Coombs
Shazelle Terry
Blake Tullis, Ph.D.
Kimberly D. Shelley
Nathan Lunstad
Executive Secretary

SUPPLEMENTAL DRINKING WATER BOARD MEETING

September 24, 3:00 PM

Via Zoom Webinar

AGENDA

1. Call to Order
2. Roll Call – Nathan Lunstad
3. Disclosure for Conflict of Interest
4. Financial Assistance Committee Report
 - A. SRF Applications
 - i. Helper City Additional Funding Request - Allyson Spevak
5. Public Comment Period
6. Open Board Discussion
7. Other
8. Next Board Meeting

Date: November 12, 2024
Time: 1:00 PM
Place: Carbon County Commission
751 East 100 North Price
Price, UT 84501

9. Adjourn

Agenda Item

4(A)(i)

DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION ASSISTANCE

APPLICANT'S REQUEST:

Helper City was authorized an ARPA Grant in the amount of \$3,416,000 on August 31, 2022, for the construction of replacing a transmission line, well and tank rehabilitation, meter replacement and a new SCADA system. Helper contributed \$34,160 towards the project. Since authorization, the City has chosen not to move forward with well rehabilitation.

Helper City has completed the tank rehabilitation and recently opened bids for the transmission line replacement; costs for both are higher than originally estimated. There are also additional costs related to engineering, an interconnection vault, and purchase of water from PRWID during construction. The new estimated project cost is \$4,450,160. Helper City is requesting financial assistance from the Drinking Water Board to cover the additional costs of \$1,000,000.

As part of this project, the City is also requesting to refinance their 2015 DWB Bond (30 years at 0% interest with a current principal balance of \$1,712,000) to reduce their annual debt service (\$82,000 current annual payment). **The total funding requested from the Drinking Water Board is \$2,712,000.**

STAFF COMMENTS:

The local MAGI for Helper City is \$41,700, which is 81% of the State MAGI. The current average water bill is \$60/ERC, which is 1.73% of the local MAGI. The estimated after project water bill at full loan would be \$81.26/ERC or 2.74% of the local MAGI. Based on the after-project water bill Helper City qualifies to be considered for additional subsidy.

Option	Loan / Grant*	Loan	Grant	Term	Interest Rate	Water Bill	% Local MAGI
1	0/100	\$2,712,000	\$0	39	0%	\$81.26	2.74%
2	70/30	\$2,412,000	\$300,000	39	0%	\$80.61	2.32%
3	50/50	\$2,212,000	\$500,000	39	0%	\$80.18	2.31%

*Loan/Grant % based on additional \$1 million funding

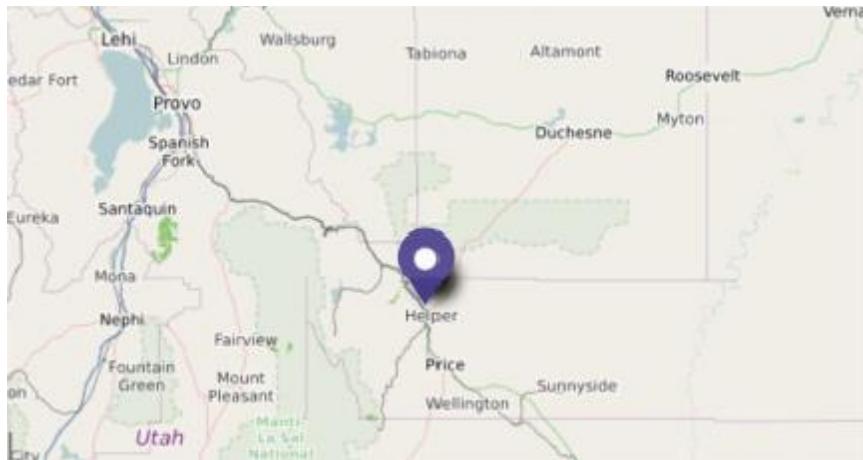
STAFF RECOMMENDATION:

The Drinking Water Board authorize a loan of \$2,412,000 for 39 years at 0% interest and a grant of \$300,000 to Helper City.

APPLICANT'S LOCATION:

Helper City is located in Carbon County approximately 7 miles north of Price.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

The initial scope of the project was to replace 2.4 miles of 8-inch HDPE transmission line from Fish Creek Springs; 3.5 miles of 10-inch C-900 PVC transmission line from Royal to Helper; meter replacement and SCADA installation at Royal; rehabilitation of Colton Well; and rehabilitation of culinary water storage tanks. Transmission line will be installed along Highway 6 a few miles north of Helper, and along Price River about 12 miles northwest of Helper.

Since authorization, the City has chosen not to move forward with well rehabilitation. Also, due to the remote location of Fish Creek Springs and the decreased yield from those springs, the City decided to focus efforts on replacing the transmission line between Royal and Helper.

Items for which the additional funding is being requested:

- Additional engineering fees – due to the project being done in various phases, design and construction services have extended over a longer period of time than originally budgeted
- Increased tank rehabilitation costs – the bids for the tank rehabilitation were higher than originally estimated and did not include additional costs such as third-party painting inspection and cathodic protection
- Addition of interconnection vault – an interconnection has been added to the project which would provide redundancy for Helper City and Price City to deliver water to each other in emergency circumstances
- Purchase of PRWID water during construction – it is likely that Helper's transmission line will be taken out of service during replacement, if so, water will need to be purchased from PRWID
- Bid alternates and contingencies – additional funding to cover unexpected items and the potential inclusion of a railroad crossing should the permit be approved

POPULATION GROWTH:

Population is based on Helper's projections

Year	Population	Connections
Current	2,135	1,134
2034	2,284	1,144
2044	2,443	1,154

ADDITIONAL FUNDING COST ESTIMATE:

Engineering - Design	\$150,000
Engineering - CMS	\$150,000
Construction – Storage	\$125,000
Construction – Transmission	\$475,000
Contingency (~10%)	\$100,000
Refinance 2015 DWB Bond	\$1,712,000
Total	\$2,712,000

COST ALLOCATION:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan	\$2,412,000	89%
DWB Grant	\$300,000	11%
Total	\$2,712,000	100%

IMPLEMENTATION SCHEDULE:

DWB Funding Authorization:	Sept 2024
Complete Design	Aug 2024
DDW Plan Approval:	Aug 2024
Advertise for Bids:	Aug 2024
Bid Opening:	Aug 2024
Loan Closing/Begin construction	Nov 2024
Complete Construction:	June 2025

CONTACT INFORMATION:

APPLICANT:

Helper City
58 South Main Street
Helper, Utah 84526
Telephone: 435-472-5391

**PRESIDING OFFICIAL &
CONTACT PERSON:**

Lenise Peterman, Mayor
58 South Main Street
Helper, Utah 84526
Telephone: 435-472-5391
mayor@helpercity.net

TREASURER/RECORDER:

Zack Tonc
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CITY ATTORNEY:

Dominique Kiahtipes
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DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Helper City

COUNTY: Carbon

PROJECT DESCRIPTION: Additional costs related to ARPA project

FUNDING SOURCE: Federal SRF

70 % Loan & 30 % P.F.

ESTIMATED POPULATION:	2,135	NO. OF CONNECTIONS:	1134 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$59.99 *			PROJECT TOTAL:	\$2,712,000
CURRENT % OF AGI:	1.73%	FINANCIAL PTS:	49	LOAN AMOUNT:	\$2,412,000
ESTIMATED MEDIAN AGI:	\$41,700			PRINC. FORGIVE.:	\$300,000
STATE AGI:	\$51,600			TOTAL REQUEST:	\$2,712,000
SYSTEM % OF STATE AGI:	81%				

	@ ZERO %		@ RBBI		AFTER REPAYMENT PENALTY & POINTS 0.00%
	RATE	MKT RATE	0%	4.12%	
SYSTEM					
ASSUMED LENGTH OF DEBT, YRS:	39	39			39
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.12%			0.00%
REQUIRED DEBT SERVICE:	\$61,846.15	\$125,329.38			\$61,846.15
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00			\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$6,184.62	\$12,532.94			\$6,184.62
ANNUAL NEW DEBT PER CONNECTION:	\$59.99	\$121.57			\$59.99
O & M + FUNDED DEPRECIATION:	\$500,467.00	\$500,467.00			\$500,467.00
OTHER DEBT + COVERAGE:	\$481,093.75	\$481,093.75			\$481,093.75
REPLACEMENT RESERVE ACCOUNT:	\$47,359.41	\$50,533.57			\$47,359.41
ANNUAL EXPENSES PER CONNECTION:	\$907.34	\$910.14			\$907.34
TOTAL SYSTEM EXPENSES	\$1,096,950.93	\$1,169,956.63			\$1,096,950.93
TAX REVENUE:	\$0.00	\$0.00			\$0.00
RESIDENCE					
MONTHLY NEEDED WATER BILL:	\$80.61	\$85.98			\$80.61
% OF ADJUSTED GROSS INCOME:	2.32%	2.47%			2.32%

\$0.00