

Drinking Water Board Packet

November 12, 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 Ph.D.
Executive Secretary

DRINKING WATER BOARD MEETING

November 12, 1:00 PM

Via Zoom Webinar & In Person:
Carbon County Commission
751 East 100 North
Price, UT 84501

AGENDA

1. Call to Order
2. Roll Call – Nathan Lunstad
3. 2025 Drinking Water Board Meeting Schedule (Board Action Needed)
4. Approval of Meeting Minutes
 - A. August 28, 2024
 - B. September 24, 2024
5. Disclosure for Conflict of Interest
6. Directors Report – Nathan Lunstad
 - A. Drinking Water Board Member Recognition of Service; Jeff Coombs
 - B. Enforcement Report (Board Packet Item Only)
 - C. Other
7. Rural Water Association Report – Dale Pierson
8. Financial Assistance Committee Report
 - A. Status Report – Wayne Boyce
 - B. Cashflow – Wayne Boyce
 - C. Project Priority List – Michael Grange
 - D. SRF Applications
 - i. Federal
 - a. Salt Lake City - EC - Planning - Andrea Thurlow
 - b. Cottonwood Mutual - EC - Andrea Thurlow
 - c. Angell Springs - Kjori Shelley
 - d. Wasatch Mobile Home Park - Heather Pattee
 - e. Elberta - Kjori Shelley

- f. Sigurd Town - Cadence Hernandez
- g. Hanna Water - Additional funds - Heather Pattee
- h. Upper Whittemore - request advance - Heather Pattee

9. Other

- A. Intended Use Plan - Wayne Boyce

10. Public Comment Period

11. Open Board Discussion

12. Next Board Meeting

Date: January 7, 2025
Time: 1:00 PM
Place: Multi-Agency State Office Building
195 N 1950 W
SLC, UT 84116

13. Adjourn

Agenda Item

3

Drinking Water Board 2024 Meeting Schedule (A)

Tuesday, January 7, 2025
(Scheduled)

Thursday, February 27, 2025
(RWAU Conference)

Tuesday, April 22, 2025

Tuesday, June 17, 2025

Wednesday, August 27, 2025
(RWAU Conference)

Tuesday, November 18, 2025

Tuesday, January 6, 2026

Drinking Water Board 2024 Meeting Schedule (B)

Tuesday, January 7, 2025
(Scheduled)

Thursday, February 27, 2025
(RWAU Conference)

Tuesday, June 10, 2025

Wednesday, August 27, 2025
(RWAU Conference)

Wednesday, October 1, 2025
(AWWA Conference)

Tuesday, November 18, 2025

Tuesday, January 6, 2026

Agenda Item

4(A)



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 Ph.D.
Executive Secretary

DRINKING WATER BOARD MEETING

August 28, 2024, 9:00 AM

Via Zoom Webinar & In Person:

Davis Conference Center

1651 N 700 W

Layton, UT 84041

DRAFT Minutes

1. Call to Order

Eric Franson, Co-Chair, called the Drinking Water Board (Board, DWB) meeting to order at 10:54 AM.

2. Roll Call – Nathan Lunstad

Board Members present at Roll Call: Eric Franson, Justin Maughan, Jeff Coombs, Blake Tullis, and Corinna Harris.

Division of Drinking Water (DDW, Division) Staff Present: Michael Grange, Jessica Fitzgerald, Allyson Spevak, Wayne Boyce, Kjori Shelley, Heather Pattee, Andrea Thurlow, Cadence Hernandez, Jeremy Andrews, Michelle Deras, Russell Seeley

3. Approval of Meeting Minutes

A. June 25, 2024

- Justin Maughan moved to approve the Drinking Water Board meeting minutes on June 25, 2024. Corinna Harris seconded. The motion was carried unanimously by the Board.

4. Disclosure for Conflict of Interest

None.

5. Directors Report – Nathan Lunstad

A. Enforcement Report (Board Packet Item Only)

The Enforcement Report can be found in the Drinking Water Board Packet.

B. Other

Nathan Lunstad briefed the Board on several Division updates.

Rulemaking

The Division is currently reevaluating 100 rules based on public comments. A comprehensive packet and timeline will be provided at the next board meeting.

Cybersecurity Plan

A cybersecurity plan was completed and submitted on June 28th, with a requirement for systems to report any cybersecurity events within 8 hours.

Legislative Session

The Division is following up on the proposed fee bill with Senator Sandall and is seeking fee authority. There has been substantial public input on this matter. Interim meetings are scheduled for October and November to present this initiative.

EPA Sanitary Survey Audit

The audit received positive comments and feedback.

EPA Drought Mitigation Funding

There is federal grant funding available to assist rural and small disadvantaged communities in preparing and planning for drought.

6. Rural Water Association Report – Dale Pierson

Dale Pierson presented the Rural Water Association Report and gave a brief overview of items the Rural Water Association of Utah is focused on. Dale reported that the conference had 543 in attendance. He also thanked the Board for attending the Rural Water Fall Conference.

7. Financial Assistance Committee Report

A. Status Report – Wayne Boyce

Wayne Boyce, DDW Financial Manager, provided an overview of the Status Report included in the packet. This report covers various financial aspects such as Federal SRF, ARPA, Authorized Projects, Lead Service Line, Emerging Contaminants, and State SRF.

Wayne highlighted the current Federal SRF availability, as this has moved from approximately - \$14.4 to -\$18.6 million due to proposed projects.

State SRF availability was at about \$1.5 million, as of this meeting the Division is at -\$7.25 million, this includes revenue that is expected over the next year.

ARPA Deadlines were discussed, they are planning to remove funds that are not obligated or authorized by the end of this month.

B. Cashflow – Wayne Boyce

Cashflow projections show that the Division is at approximately \$37.24 million for FY25.

Eric Franson sought clarification, noting that while the federal and state balances appear negative, the cashflow itself is currently positive, though not as strong as in the past. Wayne provided additional clarity, explaining that while the cash balances are indeed positive, the revenue and expected future revenue—when compared to the authorizations already made—place the Division in a negative position. This projection includes all projects under consideration today.

C. Project Priority List – Michael Grange

Michael Grange reported there were two (2) new projects being added to the Project Priority list:

1. **Elberta Water Company** scored 14 on the project priority list. Their project is to drill a new well.
2. **Mutton Hollow** scored 1.8 on the project priority list. Their project is to replace the existing mainline transit pipe with PVC pipe, approximately 300 feet, and provide new water service pipe to meters.

The Financial Assistance Committee recommends the Drinking Water Board approve the updated Project Priority List.

- Justin Maughan moved that the Board approve the updated Project Priority List. Corinna Harris seconded. The motion was carried unanimously by the Board.

D. SRF Applications

i. Federal

a. Elberta Water Company - Kjori Shelley

Representing Elberta Water Company was Bill Ford, president.

Kjori Shelley presented the Elberta Water Company financial assistance request. Project details can be found in the Drinking Water Board Packet.

The Financial Assistance Committee recommends the Drinking Water Board authorize a construction loan of \$817,000 with \$246,000 in principal forgiveness to Elberta Water Company, for a repayable loan amount of \$571,000 at 0% interest for 30 years.

Board Discussion

Justin Maughan requested clarification regarding the estimated cost and the accuracy of the bids. The engineering representative for the Elberta project explained that the estimates are based on recent similar projects and include a 20% contingency to cover potential variations.

Corinna Harris inquired whether this would address the IPS points. The engineering representative clarified that the plan does not include storage solutions. Bill Ford then provided historical context, explaining that the well is over 30 years old, has been maintained, but is now failing and

requires redrilling. They believe there has been a shift in the matrix, affecting the well's performance.

Nathan Lunstad added that there were some questions about the numbers and emphasized the importance of conducting system-specific sizing over a three-year evaluation. By reviewing peak day demands, they may find they have adequate storage or could identify a genuine capacity issue. This method provides a more accurate representation of storage needs. He also noted that there can be exceptions within the permitting process. Bill Ford mentioned that they are working with Rural Water on these concerns.

The engineering representative also raised the question of an existing loan for arsenic dilution and asked if restructuring the new loan to make it more affordable over time could be considered. Options included delaying payments until the current loan concludes or potentially combining the two loans to ease the financial burden.

Eric Franson confirmed that adjusting payment streams and combining loans has been done in the past. However, he expressed concern about making such decisions on the fly during the meeting and recommended that the water system decide if they would like to explore this option. If so, the request should be sent back to staff for further review and re-presentation at a future meeting, instead of trying to resolve it immediately.

Bill Ford agreed that exploring these options could be beneficial and asked the Board to decide the best course of action for moving forward.

Michael Grange suggested that the Board table the project for the time being. He recommended that staff work with the system to come up with a refinancing plan that would be appropriate.

The Board agreed to table the project until further analysis could be conducted.

- Justin Maughan made the motion to table the item for further assessment by staff. Corinna Harris seconded. The motion was carried unanimously by the Board.

b. Provo Water Users Association - Michael Grange

Representing the Provo Water Users Association was Jeff Budge, General Manager.

Michael Grange presented the Provo Water Users Association financial assistance request. Project details can be found in the Drinking Water Board Packet.

The Financial Assistance Committee recommends the Drinking Water Board authorize an \$11,000,000 engineering planning and design loan for 30 years at 2.0% Hardship Grant Assessment Fee in lieu of interest to the Provo River Water Users Association for the Deer Creek Intake Structure replacement project. Also, the Board authorize reduced principal payments for the first five years of the repayment period as described in the attached repayment schedule.

Board Discussion

Jeff provided an update on the grant application PWUA submitted to the Department of Natural Resources (DNR) for \$4 million. Unfortunately, the grant was not awarded to PWUA. As a result, they are now seeking \$11 million in funding. However, Jeff noted that DNR still has funds available, and they are continuing discussions. The next DNR meeting is scheduled for October when a final decision is expected. Jeff mentioned that they are exploring options to bond money later this year to assist the Board with cash flow issues, and they will aim to reduce the loan amount as much as possible with any funds received from DNR. By the time bonding is considered, it may range between \$7-8 million, depending on what DNR makes available.

Nathan Lunstad emphasized the critical nature of the infrastructure this project supports. He explained that it would serve a significant portion of the population and provide sustainability and security for water supplies, particularly for critical infrastructure along the Wasatch Front.

- Corinna Harris moved that the Drinking Water Board authorize an \$11,000,000 engineering planning and design loan for 30 years at 2.0% Hardship Grant Assessment Fee in lieu of interest to the Provo River Water Users Association for the Deer Creek Intake Structure replacement project. Also, the Board authorize reduced principal payments for the first five years of the repayment period as described in the attached repayment schedule. Justin Maughan seconded. The motion was carried unanimously by the Board.

c. Mutton Hollow - Cadence Hernandez

Cadence Hernandez presented on the Mutton Hollow financial assistance request. Project details can be found in the Drinking Water Board Packet.

The Financial Assistance Committee recommends the Drinking Water Board authorize a loan of \$1,300,000 at 0% interest for 30 years with \$390,000 principal forgiveness to Mutton Hollow Improvement District.

Board Discussion

Eric Franson noted that there is a significant increase in rates, due to the fact that the rates are currently low.

- Justin Maughan moved that the Drinking Water Board authorize a loan of \$1,300,000 at 0% interest for 30 years with \$390,000 principal forgiveness to Mutton Hollow Improvement District. Jeff Coombs seconded. The motion was carried unanimously by the Board.

ii. State

a. Grantsville - Cadence Hernandez

Cadence presented the Grantsville financial assistance request. Project details can be found in the Drinking Water Board Packet.

The Financial Assistance Committee recommends the Drinking Water Board authorize a loan of \$3,294,000 at 2.0% interest for 20 years to Grantsville City.

Board Discussion

Eric noted that 4.08% interest rate should not have been provided based on further review and instead came out to 2.75%.

Representatives of Grantsville mentioned that over the next 9 years, they have scheduled an increase of about an average of 7% per year to make sure they keep up with the rates.

- Jeff Coombs moved that the Drinking Water Board authorize a loan of \$ 3,294,000 at 2.0% interest for 20 years to Grantsville City. Justin Maughan seconded. The motion was carried unanimously by the Board.

iii. Additional Funds (Federal)

a. High Valley Water - Heather Pattee

Representing High Valley Water was Derek Johnson with Sunrise Engineering.

Heather Pattee presented on the High Valley Water additional funding request. Project details can be found in the Drinking Water Board Packet.

Staff recommends the Drinking Water Board authorize a loan of \$458,000 with \$229,000 in principal forgiveness at 0% interest for 30 years, for a repayable amount of \$229,000 to High Valley Water Company.

Board Discussion

Derek Johnson clarified that there have been significant changes to the project's scope. Initially, the project was planned with 4-inch-thick pavement, but Summit County is now requiring 8 inches on one section of the road and 6 inches everywhere else. This adjustment is a major factor contributing to the cost increase. Additionally, Derek explained that the initial assumption based on the Geotechnical (Geotech) work was that some of the existing material could be reused as backfill in the trench. However, it has now been determined that this is not feasible, meaning additional material will need to be imported, further contributing to the cost increase.

- Corinna Harris moved that Staff recommends the Drinking Water Board authorize a loan of \$458,000 with \$229,000 in principal forgiveness at 0% interest for 30 years, for a repayable amount of \$229,000 to High Valley Water Company. Justin Maughan seconded. The motion was carried unanimously by the Board.

b. Upper Whittemore - Heather Pattee

Representing Upper Whittemore was Justin Hamilton, Upper Whittemore Canyon Water President.

Heather Pattee presented the Upper Whittemore additional funding request. Project details can be found in the Drinking Water Board Packet.

The Financial Assistance Committee recommends the Drinking Water Board authorize an additional \$719,000 in financial assistance for a total construction loan of \$1,219,000 with \$609,000 in principal forgiveness to Upper Whittemore Water Company, for a repayable loan amount of \$610,000 at 0% for 20 years.

Justin Hamilton thanked the Board for considering this increase in the funding. He added that he met with the contractors and was able to reduce costs by 7%. And adding the second chlorination at the same time would reduce the mobilization cost.

- Justin Maughan moved that the Drinking Water Board authorize an additional \$719,000 in financial assistance for a total construction loan of \$1,219,000 with \$609,000 in principal forgiveness to Upper Whittemore Water Company, for a repayable loan amount of \$610,000 at 0% for 20 years. Blake Tullis seconded. The motion was carried unanimously by the Board.

c. Beaver City - Heather Pattee

Representing Beaver City was Parker Vercimak from Jones and Demille Engineering.

Heather Pattee presented the Beaver City additional funding project. Project details can be found in the Drinking Water Board Packet.

Staff recommends the Drinking Water Board authorize a loan of \$215,000 with \$107,000 in principal forgiveness, for a repayable loan amount of \$108,000 to Beaver City.

Board Discussion

Eric Franson noted that the staff's recommendation differs from Beaver City's request, which seeks full principal forgiveness for the additional funding.

Parker provided an update, explaining that when Beaver City initially requested this additional funding, they were about a month away from closing the project. They now plan to close out the project this week and would like the Board to consider a reduced funding amount, as they no longer need as much contingency. As of today, the project cost overruns total approximately \$110,000. Therefore, the current request is for \$120,000.

Eric clarified that the request is for \$120,000 in principal forgiveness, which would avoid the need for a second loan closing.

- Justin Maughan moved that the Drinking Water Board authorize a \$120,000 increase in funding in principal forgiveness to Beaver City. Corinna Harris seconded. The motion was carried unanimously by the Board.

d. KCWCD New Paria - Allyson Spevak

Representing KCWCD New Paria was Mike Noel, executive director and consultant engineer.

Allyson Spevak presented the KCWCD New Paria additional funding request. Project details can be found in the Drinking Water Board Packet. Allyson combined presentations with KCWCD Clark Bench since these projects are closely related.

Staff recommended the Drinking Water Board authorize an additional ARPA grant of \$284,866 to KCWCD New Paria.

Board Discussion

Eric Franson requested clarification regarding the ARPA funding. He inquired whether the funds allocated for emergencies were the source of this specific funding.

Michael Grange explained that this new ARPA fund request is money that had been reallocated to Desert Sage initially. During that period, they received conflicting information about ARPA requirements, and following those requirements would have increased Desert Sage's project costs beyond the original allocation. As a result, the Board deauthorized the ARPA grant for Desert Sage and reallocated those funds to the State Program. The money for New Paria and Clark Bench will now come from the ARPA funds recouped from Desert Sage.

Eric also clarified that, while ARPA funds were thought to come with "Buy American" requirements, this funding is subject to the typical SRF requirements, which do not include "Buy American."

Mike Noel expressed gratitude to the Board and noted that this funding is an important part of the regionalization and agreements they have entered into. He further explained that much of the pipe being replaced was initially assumed to be in good condition but was found to be shallow and in need of replacement, leading to increased engineering costs.

- Corinna Harris moved that the Drinking Water Board authorize an additional ARPA grant of \$284,866 to KCWCD New Paria. Justin Maughan seconded. The motion was carried unanimously by the Board.

e. KCWCD Clark Bench - Allyson Spevak

Allyson Spevak presented the KCWCD Clark Bench additional funding request. Project details can be found in the Drinking Water Board Packet. Allyson combined presentations with KCWCD New Paria since these projects are related.

Staff recommends the Drinking Water Board authorize an additional ARPA grant of \$92,969 to KCWCD Clark Bench.

- Corinna Harris moved that the Drinking Water Board authorize an additional ARPA grant of \$92,969 to KCWCD Clark Bench. Justin Maughan seconded. The motion was carried unanimously by the Board.

f. Myton City – Kjori Shelley

Representing Myton City were Kathleen Cooper, Mayor, and Allen Allred.

Kjori Shelley presented the Myton City additional funding request. Project details can be found in the Drinking Water Board Packet.

Staff recommends the Drinking Water Board authorize a loan amount of \$1,256,900 to the previous authorized ARPA grant, with \$377,900 in additional grant to Myton City, for a repayable loan amount of \$879,000 at 0% interest for 39 years.

Mayor Cooper thanked the Board for considering their requests. She explained they have had 3 major water line breaks.

Board Discussion

Eric Franson asked for clarification on the cost increase, inquiring whether it was solely due to rising costs or if additional scope had been added to the project. Chris responded that the scope had indeed been expanded. The water lines had several leaks, and they ended up increasing the length by 3,300 feet, adding new water lines and addressing current issues with breaks.

Corinna Harris inquired about the ongoing discussions between Myton City and the Ute Tribe. Mayor Cooper has been working diligently with the Ute Tribe for many years and feels that they are now closer than ever to reaching an agreement.

Eric Franson expressed concern about the use of ARPA funds, noting that the funds have a deadline for expenditure. He emphasized that if the Board approves the motion, it would appreciate regular updates on the status of the agreement to ensure the funds are utilized in time.

Justin Maughan requested that staff closely monitor the situation. In response, Kjori mentioned that the deadline for receiving updates on the agreement has been set for November 1, at which point the Board will need to be informed if the agreement is signed.

- Justin Maughan moved that the Drinking Water Board authorize a loan amount of \$1,256,900 to the previous authorized ARPA grant, with \$377,900 in additional grant to Myton City, for a repayable loan amount of \$879,000 at 0% interest for 39 years. Jeff Coombs seconded. The motion was carried unanimously by the Board.

iv. Other

a. Hildale – Emergency Funding

Michael Grange presented the Hildale Emergency Funding request. Project details can be found in the Drinking Water Board Packet.

Staff recommends that the Drinking Water Board authorize a construction loan of \$788,500 with \$237,500 in principal forgiveness to Hildale City, for a repayable loan amount of \$551,000 at 1.73% interest for 30 years.

Board Discussion

Eric Franson clarified that the current funding request would not resolve all of the points on the IPS report.

Eric also questioned the difference between the proposed 1.73% interest rate and a 0% rate, noting that it doesn't seem to make a substantial difference. He asked Michael Grange why it was presented this way. Grange explained that there is a minimal difference between the two rates, which is why it was structured as such.

Justin Maughan inquired about the emergency nature of the request. Michael Grange clarified that the city has experienced low water pressure for some time, and this project aims to alleviate those issues while addressing long-term source capacity challenges. Hildale is a unique case as it borders Arizona and shares a water system with the state. Many of their water sources are located in Arizona, where contamination has been found. The Division of Drinking Water has a Memorandum of Understanding (MOU) with Arizona to regulate the entire system. This portion of the project is being pursued now to mitigate immediate issues, even as they work on more extensive, long-term solutions.

Eric further clarified that while this situation may not constitute an emergency in the traditional sense, it is a problem that needs to be addressed sooner rather than later.

Corinna Harris asked about the estimated completion date for the project. Michael Grange stated that they do not currently have that information.

- Blake Tullis moved that the Drinking Water Board authorize a construction loan of \$788,500 with \$237,500 in principal forgiveness to Hildale City, for a repayable loan amount of \$551,000 at 1.73% interest for 30 years. Justin Maughan seconded. The motion was carried unanimously by the Board.

8. Public Comment Period

None.

9. Open Board Discussion

None.

10. Other

A. Next Board Meeting and Facility Tour Update – Nathan Lunstad

Nathan provided additional details about the upcoming Board meeting, which will include a site tour of the East Carbon Water Treatment facility for Board members. An agenda will be prepared for the meeting, and further coordination will take place offline to ensure all necessary arrangements are made for the Board's visit.

11. Next Board Meeting

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

12. Adjourn

- Justin Maughan moved to adjourn the meeting. Corinna Harris seconded. The motion was carried unanimously by the Board.

The meeting adjourned at 10:54 A.M.

Agenda Item 4(B)



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 Ph.D.
Executive Secretary

SUPPLEMENTAL DRINKING WATER BOARD MEETING September 24, 3:00 PM Via Zoom Webinar

DRAFT MINUTES

1. Call to Order

Kristi Bell, Chair, called the Drinking Water Board (Board, DWB) meeting to order at 3:00 PM.

2. Roll Call – Nathan Lunstad

Board Members present at Roll Call: Kristi Bell, Eric Franson, Corinna Harris, Blake Tullis, Jeff Coombs, Shazelle Terry, Justin Maughan.

3. Disclosure for Conflict of Interest

Eric Franson has a conflict due to working with Helper City and will refrain from voting. The Board agreed that Eric Franson could provide input on the topic.

4. Financial Assistance Committee Report

A. SRF Applications

i. Helper City Additional Funding Request - Allyson Spevak

Representing Helper City was Mayor Linise Peterman, and Lauren Ploeger, engineer.

Allyson Spevak presented the Helper City additional funding request. Project details can be found in the Drinking Water Board Packet.

Drinking Water Staff recommends that 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.

Mayor Peterman mentioned that Helper City is working to complete the replacement of their transmission line, which brings water from the Scofield area down Highway 6 into Helper. They are aiming to complete the entire project rather than approaching it in stages.

Board Discussion

Justin Maughan asked for clarification on the original grant amount, the initial project scope, and any components that were removed. He noted that the well rehabilitation was excluded and asked if the remaining scope would be covered with the current funding.

Lauren Ploeger clarified that the well in question is owned by Price, not Helper. Initially, there were plans to rehabilitate the well pump, but this was removed since Price owns the well. The current project includes Helper's connection to that well, new valving, and a new pipeline from the well to the transmission line. The actual pump will remain unchanged. Additionally, the storage tanks have already been completed.

Justin also inquired about the meter replacements and SCADA system. Lauren responded that the SCADA system is nearing completion, with a few remaining meters to be installed at the Colton well and at the interconnect.

Shazelle Terry asked if the well is currently operational and if Price plans to rehabilitate it, given that it will support Helper's needs. Lauren confirmed that the well is operational and currently only used by Helper. Originally owned by PacifiCorp, both Helper and Price had agreements to use it as needed. Price has since purchased the well, and Helper now has an agreement with Price for its use.

Corinna Harris asked if the well would eventually need rehabilitation. Eric Franson clarified that while future rehab could enhance yield, it's unnecessary for this project. Helper City is also seeking Bureau of Reclamation funds for an independent water source, and the well currently meets their needs. Lauren added that this project, by increasing the connection pipeline size, will eliminate the need for a booster pump to handle the local topography.

Kristi Bell asked about the additional funding requirements, specifically for purchasing water and a potential railroad crossing. She wanted to know if these represent a significant portion of the additional funding and what would happen if they weren't needed. She also questioned the impact of the loan-to-grant ratio difference (an additional 65 cents per month in Option 1 vs. Option 2) given the large amount already granted.

Lauren Ploeger explained that an interconnect was added based on a recommendation from the regional engineer, allowing Helper or Price to access water if a source issue arises. Helper may also need to buy water temporarily if existing lines can't stay in service during replacement due to space constraints. She confirmed the necessity of these funds. Eric Franson added that Mayor Peterman has initiated water rate increases in Helper and that the 70/30 grant-to-loan split, consistent with past Board decisions, would help manage the additional debt with minimal impact on residents' bills.

Justin Maughan made the motion that 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. Shazelle Terry seconded. The motion was carried unanimously by the Board.

Eric Franson abstained from voting.

5. Public Comment Period

None.

6. Open Board Discussion

7. Other

None.

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

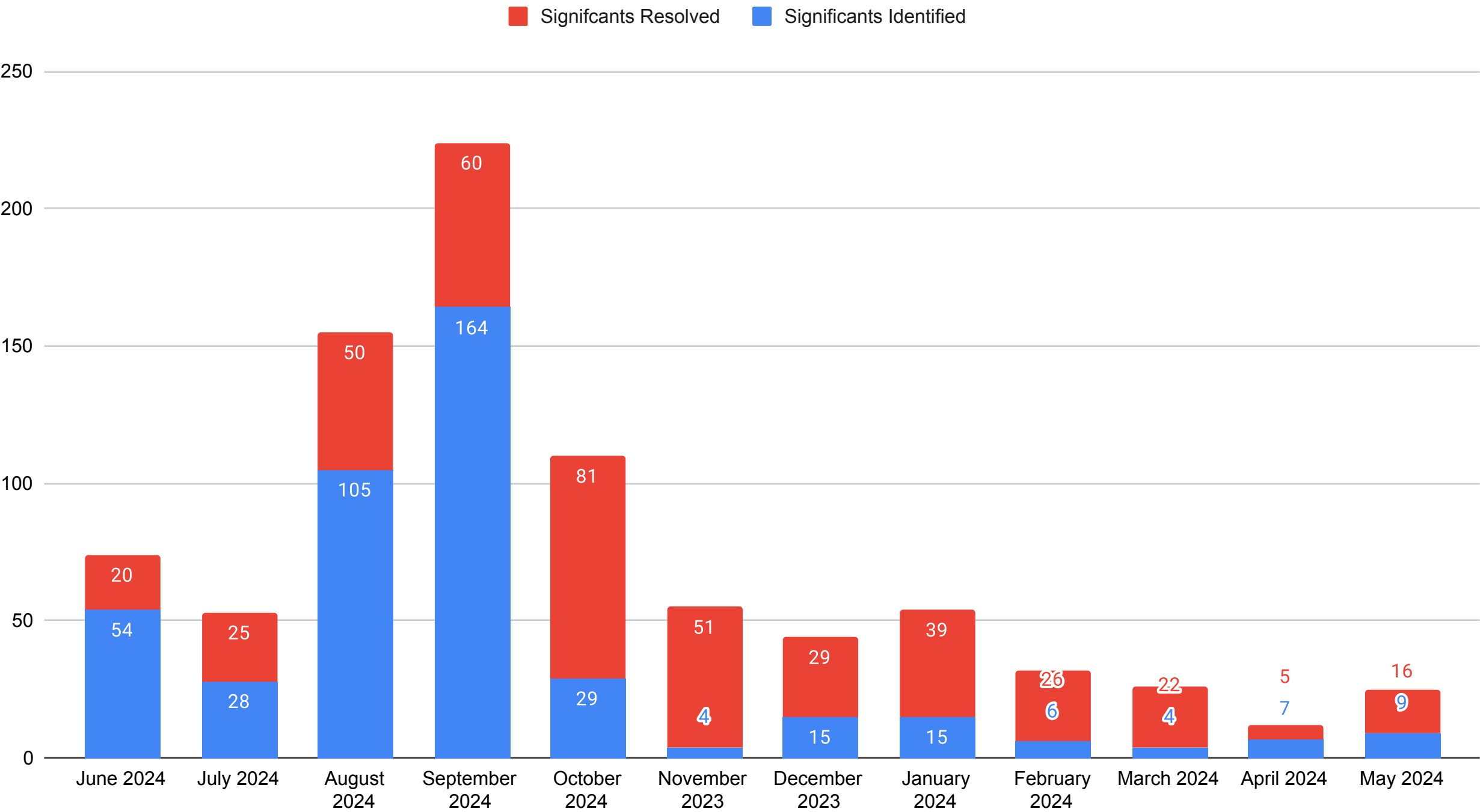
- Eric Franson moved to adjourn the meeting. Corinna Harris seconded. The motion was carried unanimously by the Board.

Agenda Item 6(B)

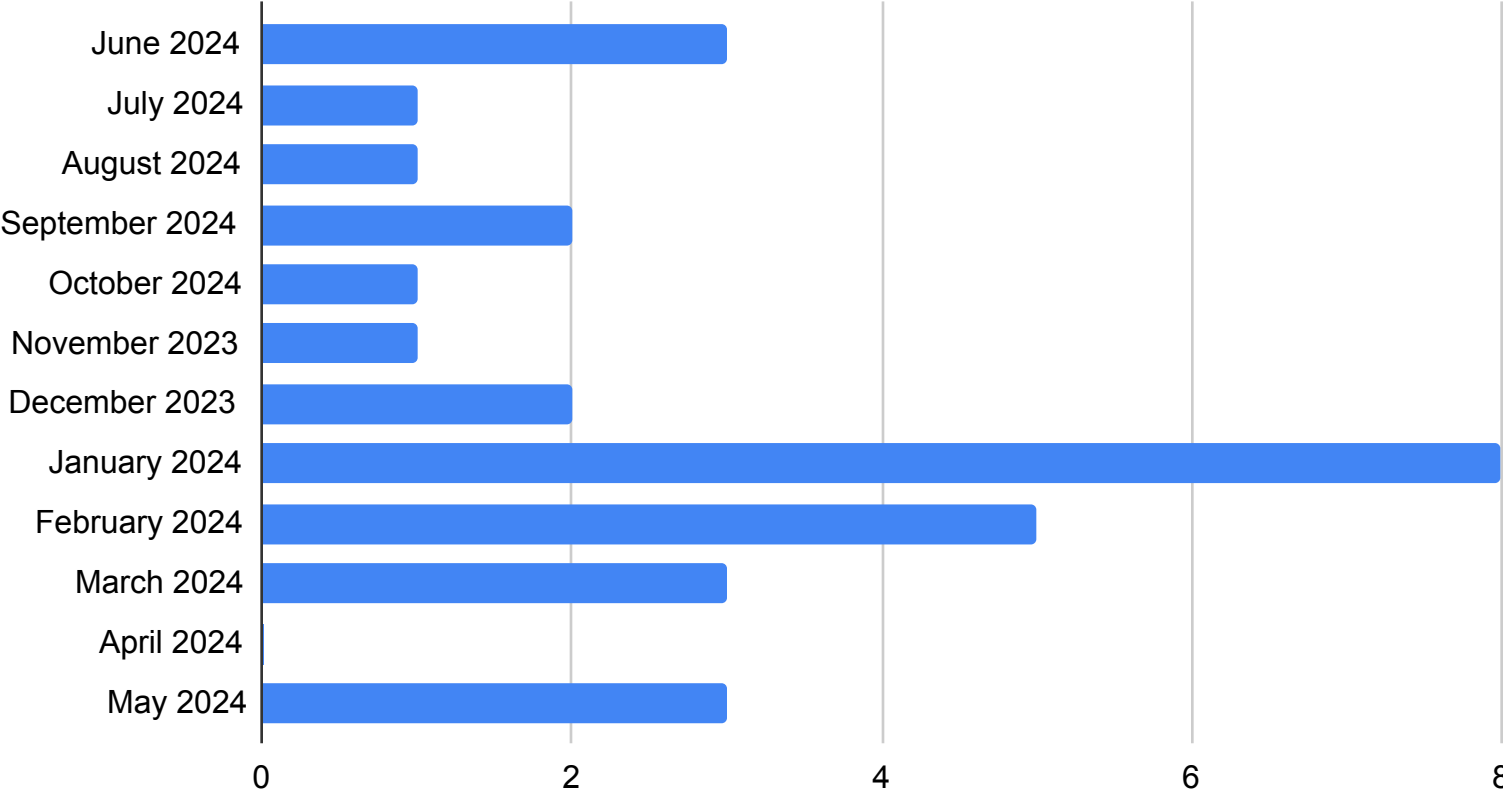
Board Report As of October 30, 2024

PWS ID	PWS Name	PWS Type	Pop Served	IPS Pts	Rating	Rating Date
Corrective Action Systems						
UTAH22114	BULL MOOSE WATERWORKS	Transient Non-Community	136	330	Corrective Action	1/2/2024
UTAH29092	COLE CANYON WATER COMPANY	Community	39	345	Corrective Action	10/17/2023
UTAH14051	DESERET - OASIS SSD	Community	490	35	Corrective Action	1/3/2024
UTAH22022	ESCAPE RV RESORTS - KNOTTY PINE	Transient Non-Community	354	55	Corrective Action	10/8/2024
UTAH29053	GREEN HILLS COUNTRY ESTATES	Community	237	665	Corrective Action	1/2/2024
UTAH18147	HI-COUNTRY ESTATES #1	Community	300	50	Corrective Action	3/19/2024
UTAH14004	HINCKLEY TOWN WATER SYSTEM	Community	630	125	Corrective Action	1/10/2024
UTAH14013	HOLDEN TOWN WATER SYSTEM	Community	475	20	Corrective Action	2/1/2024
UTAH18055	MT HAVEN OWNERS ASSOCIATION	Transient Non-Community	85	45	Corrective Action	4/12/2023
UTAH08034	PACIFICORP HUNTINGTON PLANT	Non-Transient	175	5	Corrective Action	4/24/2023
UTAH23075	PENNEYS GRILL LLC	Transient Non-Community	27	285	Corrective Action	3/10/2023
UTAH22080	PINES RANCH	Transient Non-Community	100	285	Corrective Action	4/11/2024
UTAH27089	BIG PLAINS WATER SSD - CEDAR POINT	Community	232	750	Corrective Action	10/17/2023
UTAH07067	SOUTH DUCHESNE CULINARY WATER	Community	286	225	Corrective Action	5/25/2022
UTAH17001	BRIDGERLAND WATER CO	Community	240	0	Corrective Action	2/22/2023
UTAH29046	VALLEY VIEW STAKE CAMP	Transient Non-Community	300	25	Corrective Action	7/20/2022
Not Approved Systems						
UTAH03002	AMALGA TOWN WATER SYSTEM	Community	495	100	Not Approved	1/19/2024
UTAH24051	DESERT SAGE HOA	Community	55	1235	Not Approved	1/12/2022
UTAH09024	ASPEN COVE RESORT	Transient Non-Community	68	250	Not Approved	7/12/2024
UTAH09098	ESCALANTE RESORT LLC	Transient Non-Community	107	50	Not Approved	5/6/2024
UTAH11099	FOOTHILL WATER USERS ASSOCIATION	Community	28	570	Not Approved	3/27/2023
UTAH25184	BATEMANS MOSIDA FARMS	Community	90	1355	Not Approved	10/30/2023
UTAH12041	LAKESIDE	Transient Non-Community	60	0	Not Approved	9/23/2024
UTAH02078	M & J TRAILER HOME COMMUNITY	Community	27	145	Not Approved	8/20/2018
UTAH15015	MOUNTAIN GREEN WATER ASSOCIATION	Community	47	120	Not Approved	10/23/2023
UTAH25077	RIVERBEND GROVE INC	Transient Non-Community	25	265	Not Approved	2/10/2021
UTAH15029	STODDARD ROADHOUSE	Transient Non-Community	26	15	Not Approved	7/9/2024

Significants Identified and Signifcants Resolved



New Systems Activated



Agenda Item

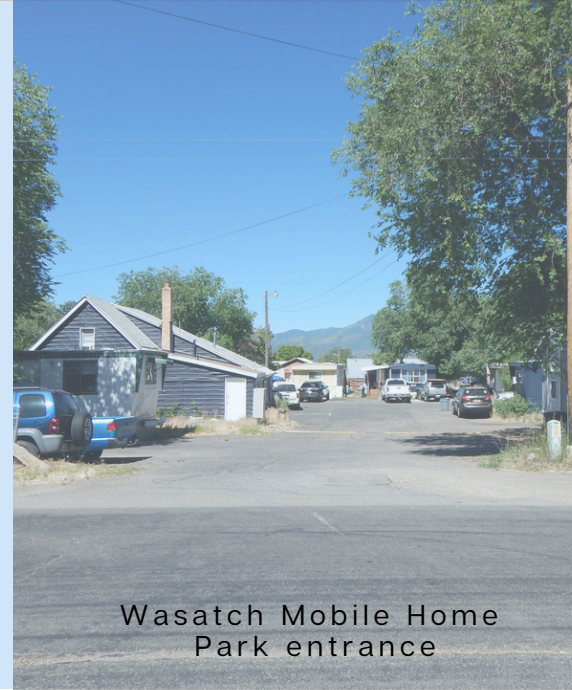
7

Development Specialist

Cedar Fort Town has necessitated numerous projects for several years, including redevelopment of the Springs and construction of a new storage tank. Curtis Ludvigson has partnered with Cedar Fort for six months. Cedar Fort has secured a Congressional Appropriation covering about 75% of project costs, approximately \$1 million. Cedar Fort has successfully completed the RFP process, engaging a qualified engineering firm. Discussions regarding the remaining 25% of funding have taken place, exploring financial options from The Division of Drinking Water, USDA Rural Development, The Division of Water Resources, and The Rural Water Finance Agency. A final decision on where to secure the \$1 million is pending, signifying substantial progress toward a long-needed initiative.

Management Technician

Janell Braithwaite began working with Logan Moffett in 2023 following a DDW meeting in which an income survey was requested in efforts to help procure project funding to improve their system and resolve compliance issues. Janell ended up onsite with the manager, Weston, and a Spanish interpreter in trying to reach all of the customers successfully gathering surveys from over 70% of the residents. Because of this effort, they were able to meet the "disadvantaged" criteria, and have now applied for funding to move forward with their pursuit of regionalizing their water system with Daniel Town. This is a progressive move that has been a long time coming, and should work well for all involved.



Compliance Technician

Terry arranged to meet Bruce Meyer, the administrator for the system, to go over the deficiencies listed in the assistance request from Brian Pattee - DDW staff. During a recent onsite evaluation, Brian had noted that the recorded chlorine residuals were inconsistent - at times both too low as well as too high. He requested that Rural Water have someone provide onsite assistance to evaluate and train on the correct operation of the chlorinator, as well as helping them in determining if they had a leak within the distribution system. In addition to Bruce, Terry also met with the camp caretakers - Ken and Susan. He taught them how to calculate the correct chlorine dosage, how to correctly take distribution samples to determine the chlorine residual, and how to then report the data to the DDW. They expressed some frustration with the process they currently used to take the monthly Total Coliform sample(s). Terry demonstrated how best to take the sample in order not to contaminate it in the process, and evaluated the sampling taps they were using. He found that the frost-free taps were not ideal, since they are difficult to properly disinfect. Terry then suggested a modification to those taps that would keep them pressurized to the point of the sample taps, thus keeping the piping in contact with the chlorinated water. To determine if they had a leak, Terry provided a demonstration on how to observe the pressure drawdown, if a leak was causing that, by placing a gauge on a tap within that zone, then shutting the zone off and watching to see if the pressure dropped. If so, they then had an idea where to start looking for a leak within that zone. A few days after the meeting, Terry created and provided them with a document that went over his instructions, calculations, etc., that should allow them to easily create a Standard Operating Procedure.



Agenda Item

8(A)

DIVISION OF DRINKING WATER

FEDERAL SRF

as of September 30, 2024

FIRST ROUND FUND		FEDERAL SECOND ROUND FUND		Hardship Fund
1997 thru 2023 SRF Grants		Principal Repayments	Earnings on Invested Cash Balance	Total:
Net Federal SRF Grants:	\$240,270,701	Principal (P):	\$26,702,382	Total: \$3,344,295
Total State Matches:	\$51,987,000	Interest (I):	\$28,910,141	
Closed Loans:	-\$264,782,901	Total P & I:	\$55,612,523	
Total Grant Dollars:	\$27,474,800			

SUMMARY	
Total Federal State Revolving Fund:	\$86,431,618
Total Federal Hardship Fund:	\$2,859,434
Subtotal:	\$89,291,052
Less:	
Authorized & Partially Disbursed Closed Loans:	\$155,562,431
Authorized Federal Hardship:	\$1,233,140
Subtotal:	\$156,795,570
LESS AUTHORIZED & PARTIALLY DISBURSED	
PROPOSED	
Proposed Federal Project(s):	\$3,156,407
Proposed Federal Hardship Project(s):	\$0
Subtotal:	\$3,156,407

AS OF: September 30, 2024	TOTAL REMAINING LOAN FUNDS:	-\$72,287,220
	TOTAL REMAINING HARDSHIP FUNDS:	\$1,626,294

Total Balance of ALL Funds after deducting proposed actions: -\$70,660,925

Projected Receipts thru October 1, 2025	
2023 Fed SRF Supplemental and Base grant & State Match	\$0
2024 Fed SRF Base & Supplemental Grants & State Match	\$25,192,690
Interest on Investments	\$3,450,000
Principal Payments	\$8,885,837
Interest on loans	\$1,199,930
Hardship & Technical Assistance fees	\$1,029,730
Fund 5215 principal & int payments	\$104,200
Total:	\$39,862,387

Receive 60% in January

Total Estimated Federal SRF Funds Available through: 10/01/2025 -\$30,798,538
See "DDW Cash Flow Forecast" file for additional information

SRF Subsidization Requirements - Base & Supplemental Grants					
Grant Year	Minimum	Maximum	Closed Subsidy	Authorized/Not Closed Subsidy	Status
2022	\$6,500,000	\$12,250,000	\$7,874,462	\$0	COMPLETE
2023	\$6,758,180	\$12,736,570	\$3,852,670	\$0	INCOMPLETE
Total:	\$13,258,180	\$24,986,570	\$11,727,132	\$0	

BIL Equivalency Project

X	
---	--

Cottonwood Mutual Water Company - EC				3F2868				see EC tab	\$	-						
Salt Lake City Water System - EC - Planning								see EC tab	\$	-						
Green Hills Estates WSID (EC-SDC \$)		\$	1,351,000	3F1930E	25-Jun-24		\$	-	\$	1,351,000	\$	1,351,000	x			
Totals exclude EC-SDC				TOTAL PROPOSED PROJECTS FOR THIS MEETING:				\$	2,032,000	\$	1,449,407	\$	3,156,407	\$	-	
*RWAU hardship grant is being disbursed monthly			5,892,000													
TOTAL FUNDS AFTER PROPOSED PROJECTS ARE FUNDED:										\$	(72,287,220)	\$	1,626,294			

DIVISION OF DRINKING WATER

ARPA Grant FUNDS

AS OF September 30, 2024

SUMMARY		
	FY21 ARPA Appropriation:	\$25,000,000
	FY22 ARPA Appropriation:	\$21,500,000
	Subtotal:	\$46,500,000
LESS AUTHORIZED	Less:	
	Authorized Grants & Closed Grants in Construction:	\$46,299,374
	Subtotal:	\$46,299,374
	Total available after Authorized deducted	\$200,626
PROPOSED	Proposed Loan Project(s):	\$0
	Subtotal:	\$0
AS OF:		
September 30, 2024	TOTAL REMAINING ARPA GRANT FUNDS:	\$200,626

(see Page 2 for details)

(see Page 2 for details)

Total Balance of Funds: \$200,626

Projected Receipts Next Twelve Months:	
FY2023 Appropriation and Federal Funding	
Total Projections	\$0

Total Estimated ARPA Funds Available through 10-01-2025	\$200,626
---	------------------

DIVISION OF DRINKING WATER
ARPA Grant FUNDS
PROJECTS AUTHORIZED
AS OF September 30, 2024

Community	Grant #	Date Authorized	Date Signed/ Closed/Anticipated	Fund 5215	
				Grant	Total
Cedarview Montwell SSD - PWS 07072	3S1869	Jul-22	21-Oct-24	3,324,000	3,324,000
					0
Subtotal Loans and Grants Authorized				3,324,000	3,324,000
COMMITTED GRANT AGREEMENTS W/ CONSTRUCTION IN PROCESS					
Austin SSD - PWS 21003	3S1803	Jun-22	22-Jul-24	2,269,000	2,269,000
Church Wells SSD - PWS 13002	3F1824	Jan-22	13-Apr-22	2,252,000	2,252,000
Circleville Town - PWS 16002	3S1825	Jan-22	11-Jul-23	3,500,000	3,500,000
Tridell Lapoint SSD - PWS 24009	3S1836	Mar-22	30-Mar-23	3,500,000	3,500,000
Cannonville Town - PWS 09003	3F1838	Mar-22	01-Jul-22	2,360,676	2,360,676
Pinion Forrest SSD - PWS 07073	3F1844	Jun-22	16-Nov-23	299,000	299,000
Axtell Community Service Dist - PWS 20051	3F1845	Jun-22	11-Oct-22	3,255,110	3,255,110
Kane Co WCD - New Paria Subdivision -PWS 13037	3F1852	Jun-22	14-Oct-22	3,359,000	3,379,000
Kane Co WCD - New Paria - Add'l Funds	3F1852	Aug-24		284,865	284,865
Kane Co WCD - Clark Bench Wtr Co - PWS 13060	3F1853	Jun-22	01-Nov-22	3,444,000	3,464,000
Kane Co WCD - Clark Bench - Add'l Funds	3F1853	Aug-24		92,969	92,969
Daggett Co - Dutch John - PWS 05001 planning advance	3F1857	Jun-22	16-Mar-23	135,000	135,000
Daggett Co - Dutch John - PWS 05001	3F1857	Jun-22	06-Nov-23	3,365,000	3,365,000
Escalante City - 09004 - redevelop spring, emergency	3F1860	Jun-22	29-Jul-22	40,000	40,000
Brian Head Town - PWS 11001	3F1861	Jun-22	29-Jul-24	507,870	507,870
North Emery SSD - pws 08007	3S1863	Jun-22	14-Feb-24	1,538,000	1,538,000
Myton City - pws 07002	3S1864	Jun-22	22-Nov-22	650,000	650,000
Ouray Park WID - PWS 24014	3F1866A	Jun-22	15-Mar-23	2,871,000	2,871,000
Cedarview Montwell SSD - planning advance PWS 07072	3S1869	Jul-22	21-Sep-22	176,000	176,000
South Duchesne Culinary Water - PWS 07067	3F1879	Jul-22	29-Jul-24	1,500,500	1,500,500
Helper - PWS 04004 planning advance	3F1880	Mar-23	17-Mar-23	400,000	400,000
Helper - PWS 04004	3F1880	Aug-22	20-Feb-24	3,016,000	3,016,000
Blanding - West Water Community - PWS 19001	3F1897	Aug-22	19-Sep-23	3,500,000	3,500,000
Echo Mutual Water Co - emergency	3F1907	Oct-22	13-Feb-23	40,000	40,000
Thompson SSD - 10004 - emergency, flooding	3F1919	Sep-22	17-Jan-23	40,000	40,000
Bicknell Town - emergency spring line repairs	3F2019A	Aug-23	05-Mar-24	100,000	100,000
Orderville Town W.S.	3F2038A	Apr-24	28-May-24	479,384	479,384
TOTAL AUTHORIZED Grant/OR CLOSED; Some are Partially FUNDED				\$46,299,374	\$46,339,374
PROPOSED PROJECTS for August 2024					
Additional Funds					
Total Proposed Projects				0	0

DIVISION OF DRINKING WATER
LEAD ARPA Grant FUNDS
 AS OF September 30, 2024

SUMMARY		
	FY22 ARPA Appropriation:	\$3,500,000
	Subtotal:	\$3,500,000
LESS AUTHORIZED	Less:	
	Authorized Grants & Closed Grants in Construction:	\$655,531
	Subtotal:	\$655,531
	Total available after Authorized deducted	\$2,844,469
PROPOSED	Proposed Lead Project(s):	\$2,134,383
	Subtotal:	\$2,134,383
AS OF: September 30, 2024	TOTAL REMAINING ARPA GRANT FUNDS:	\$710,086
Total Balance of Funds:		\$710,086
Projected Receipts Next Twelve Months:		
FY2023 Appropriation and Federal Funding		
Total Projections		\$0
Total Estimated ARPA Funds Available through 10-01-2025		\$710,086

(see Page 2 for details)

(see Page 2 for details)

DIVISION OF DRINKING WATER
Lead in Schools ARPA Funds

AS OF September 30, 2024

School/District	Contract Number	Date Signed	Date Expires	Contracted Amount	Amount Spent
ChemTech-Ford Laboratories	236194	Jan-23	Dec-26	\$ 1,150,000.00	\$ -
Weber District	242542	Jun-24	Dec-26	\$ 170,770.00	\$ -
Nebo School District	241333	Dec-23	Dec-26	\$ 107,300.00	\$ -
Canyons District	242309	May-24	Dec-26	\$ 103,092.00	\$ -
Cache District	241873	Mar-24	Dec-26	\$ 98,680.00	\$ -
South Summit District	232010	Apr-23	Dec-26	\$ 56,300.00	\$ -
Carbon District	250588	Sep-24	Dec-26	\$ 14,166.00	\$ -
Logan City District	250716	Sep-24	Dec-26	\$ 8,657.00	\$ -
San Juan School District	250258	Jul-24	Dec-26	\$ 24,790.00	\$ -
Emery District	232009	Feb-23	Dec-26	\$ 17,900.00	\$ -
South San Pete School District	250402	Aug-24	Dec-26	\$ 16,187.00	\$ -
Sevier School District	242293	May-24	Dec-26	\$ 14,559.00	\$ -
Uintah District	232011	Apr-23	Dec-26	\$ 13,130.00	\$ -
Beaver County School District	241872	Mar-24	Dec-26	\$ 5,500.00	\$ -
Walden School of Liberal Arts	241871	Mar-24	Dec-26	\$ 3,000.00	\$ -
Wee Friends Preschool	242018	Apr-24	Dec-26	\$ 1,500.00	\$ -
ChemTech-Ford Laboratories	246463	Jun-24	Dec-26		
Total Contracted Funds				\$ 655,531.00	\$ -

Contracts in Process		
School/District	Last Contacted	Estimated Amount
Alpine School District	10/21/2024	291,984.42
Box Elder	10/21/2024	45,253.65
Daggett District	10/3/2024	5,500.00
Davis District	10/21/2024	112,150.35
Duchesne District	10/21/2024	2,361.06
Garfield District	9/9/2024	5,200.00
Iron District	10/21/2024	57,452.46
Juab District	10/21/2024	4,722.12
Kane District	9/17/2024	7,500.00
Millard District	10/21/2024	29,119.74
Morgan District	10/21/2024	9,444.24
Murray District	10/21/2024	68,470.74
North Sanpete District	10/21/2024	9,837.75
North Summit District	10/21/2024	5,509.14
Ogden City District	10/21/2024	27,939.21
Piute District	9/16/2024	393.51
Provo District	10/21/2024	34,235.37
Salt Lake District	10/21/2024	40,531.53
Tintic District	10/21/2024	787.02
Tooele District	10/21/2024	29,906.76
Wasatch District	10/23/2024	5,902.65
Washington District	10/21/2024	29,119.74
Park City District		-
Rich District		-
TOTAL AUTHORIZED Grant/OR CLOSED BUT NOT YET FUNDED		2,134,383.46

PROPOSED PROJECTS					
Total Proposed Projects					

DIVISION OF DRINKING WATER
Lead Service Line Grant Funds
as of September 30, 2024

SUMMARY		
	FY22 LSL Grant Loan Portion	\$20,979,000
	FY23 LSL Grant Loan Portion	\$21,201,000
	Subtotal:	\$42,180,000
LESS AUTHORIZED	Less:	
	Authorized Grants & Closed Grants and Loans:	\$26,611,491
	Subtotal:	\$26,611,491
	Total available after Authorized deducted	\$15,568,509
PROPOSED	Proposed Loan Project(s):	\$0
	Subtotal:	\$0
AS OF:		
September 30, 2024	TOTAL REMAINING LSLR LOAN/GRANT FUNDS:	\$15,568,509

(see Page 2 for details)

(see Page 2 for details)

Total Balance of Funds: **\$15,568,509**

Projected Receipts Next Twelve Months:	
FY2024 Appropriation and Federal Funding	
Total Projections	\$26,248,000

Total Estimated LSLR Funds Available through 10-01-2025	\$41,816,509
---	---------------------

DIVISION OF DRINKING WATER								
Lead Service Line Grant Funds								
As Of:	9/30/2024	0	Fund 5210					
Community	Grant #	Date Authorized	Date Agreement Executed	Loan	Grant & P/F	Total	Spent	Remaining On Contract
CONSTRUCTION PROJECTS AUTHORIZED, NOT CLOSED								
Salt Lake City DPU	3F2028	Apr-24		5,700,000	13,300,000	\$ 19,000,000.00	\$ -	\$ 19,000,000.00
							\$ -	\$ -
							\$ -	\$ -
							\$ -	\$ -
							\$ -	\$ -
							\$ -	\$ -
							\$ -	\$ -
							\$ -	\$ -
							\$ -	\$ -
Subtotal Construction Loans and Grants Authorized				\$5,700,000	\$13,300,000	\$ 19,000,000.00	\$ -	\$19,000,000
PLANNING PROJECTS AUTHORIZED, IN PROCESS							Spent	Remaining On Contract
Marysville Town	3F1931PL	23-Apr-23	12-Jun-23		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
South Salt Lake Water System	3F1933PL	13-Apr-23	20-Jun-23		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Corinne City Corp	3F1939PL	21-Jul-23	31-Aug-23		\$ 100,000	\$ 100,000.00	\$ 69,724.04	\$ 30,275.96
LaVerkin City	3F1948PL	18-Jul-23	31-Aug-23		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Orderville Town	3F1950PL	25-Apr-23	31-Jul-23		\$ 87,000	\$ 87,000.00	\$ 14,084.63	\$ 72,915.37
Antimony Town	3F1951PL	03-Jul-23	14-Aug-23		\$ 37,000	\$ 37,000.00	\$ -	\$ 37,000.00
Tridell Lapoint Water Improvement District	3F1957PL	25-Apr-23	25-Jul-23		\$ 100,000	\$ 100,000.00	\$ 6,531.08	\$ 93,468.92
Escalante City Water System	3F1958PL	12-May-23	03-Jul-23		\$ 100,000	\$ 100,000.00	\$ 57,336.11	\$ 42,663.89
Daggett Co-Dutch John Town	3F1959PL	18-Jul-23	31-Jul-23		\$ 80,000	\$ 80,000.00	\$ 3,607.50	\$ 76,392.50
Joseph Municipal Water System	3F1960PL	21-Jul-23	31-Jul-23		\$ 36,000	\$ 36,000.00	\$ -	\$ 36,000.00
Cedar City Waterworks	3F1961PL	28-Apr-23	11-Jul-23		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Neola Water & Sewer District	3F1963PL	18-Jul-23	15-Aug-23		\$ 100,000	\$ 100,000.00	\$ 11,283.50	\$ 88,716.50
Fremont Water Works	3F1964PL	21-Jul-23	31-Jul-23		\$ 88,000	\$ 88,000.00	\$ -	\$ 88,000.00
Rockville Pipeline Company	3F1966PL	21-Jul-23	11-Sep-23		\$ 69,000	\$ 69,000.00	\$ 18,856.19	\$ 50,143.81
Ballard Water Improvement District	3F1970PL	20-Jul-23	11-Sep-23		\$ 85,000	\$ 85,000.00	\$ 42,620.40	\$ 42,379.60
Kearns Improvement District	3F1974PL	03-May-23	06-Jul-23		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Magna Water District.	3F1973PL	05-May-23	17-Jul-23		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Granger-Hunter Improvement District	3F1975PL	03-May-23	03-Jul-23		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
City of Moab	3F1977PL	15-May-23	12-Jun-23		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Green River City	3F1978PL	12-May-23	31-Jul-23		\$ 96,000	\$ 96,000.00	\$ -	\$ 96,000.00
Cedarview Montwell SSD	3F1979PL	25-Jul-23	15-Aug-23		\$ 100,000	\$ 100,000.00	\$ 2,205.58	\$ 97,794.42
Wellington City	3F1981PL	22-May-23	31-Aug-23		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Jensen Water Improvement District	3F1988PL	21-Jul-23	11-Sep-23		\$ 96,000	\$ 96,000.00	\$ 9,023.75	\$ 86,976.25
Sandy City - amended	3F1991PL	03-May-23	31-Aug-23		\$ 100,000	\$ 100,000.00	\$ 65,553.86	\$ 34,446.14
Holden Town Water System	3F1992PL	04-Aug-23	15-Aug-23		\$ 73,000	\$ 73,000.00	\$ -	\$ 73,000.00
Price Municipal Corporation	3F1996PL	25-Jul-23	31-Aug-23		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Kane County Water Conservancy District	3F2008PL	27-Jun-23	25-Jul-23		\$ 389,300	\$ 389,300.00	\$ 147,412.42	\$ 241,887.58
Cannonville Town	3F2011PL	25-Jul-23	31-Aug-23		\$ 78,000	\$ 78,000.00	\$ -	\$ 78,000.00
Circleville Town Water System	3F1945PL	03-Jul-23	19-Jul-23		\$ 83,000	\$ 83,000.00	\$ -	\$ 83,000.00
West Corinne Water Company	3F1983PL	20-Jul-23	19-Jul-23		\$ 60,000	\$ 60,000.00	\$ -	\$ 60,000.00
Springdale Town Water System	3F1965PL	20-Jul-23	02-Oct-23		\$ 94,000	\$ 94,000.00	\$ 11,958.25	\$ 82,041.75
Church Wells Special Service District	3F1943P	21-Jul-23	02-Oct-23		\$ 37,000	\$ 37,000.00	\$ -	\$ 37,000.00
Myton City	3F1980P	18-Jun-23	02-Oct-23		\$ 100,000	\$ 100,000.00	\$ 3,320.25	\$ 96,679.75
Junction Town	3F1942P	03-Jul-23	04-Oct-23		\$ 53,000	\$ 53,000.00	\$ -	\$ 53,000.00
Provo City	3F1934P	13-Jun-23	18-Oct-23		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
City of Logan	3F1997P	05-May-23	23-Oct-23		\$ 100,000	\$ 100,000.00	\$ 21,486.62	\$ 78,513.38
North Village Special Service District	3F1953P	Jul-23	Jan-24		\$ 8,300	\$ 8,300.00	\$ -	\$ 8,300.00
Jordanelle Special Service District	3F1954P	Jul-23	Jan-24		\$ 15,500	\$ 15,500.00	\$ -	\$ 15,500.00
Twin Creeks Special Service District	3F1955P	Jul-23	Jan-24		\$ 17,500	\$ 17,500.00	\$ -	\$ 17,500.00
Charleston Water Conservancy District	3F1967P	Jul-23	Feb-24		\$ 25,000	\$ 25,000.00	\$ -	\$ 25,000.00
Cedar Fort W.S.	3F1968PL	Jul-23	Apr-24		\$ 35,000	\$ 35,000.00	\$ -	\$ 35,000.00
Lyman W.S.	3F1941P	Jul-23	Mar-24		\$ 72,000	\$ 72,000.00	\$ -	\$ 72,000.00
Axtell Community Special Service District	3F1989P	Jul-23	May-24		\$ 73,000	\$ 73,000.00	\$ -	\$ 73,000.00
Glen Canyon Special Service District	3F1976P	Jul-23	Jan-24		\$ 78,000	\$ 78,000.00	\$ 8,882.50	\$ 69,117.50
Panguitch City	3F1962P	Jul-23	Dec-23		\$86,000	\$ 86,000.00	\$ 7,450.00	\$ 78,550.00
Milford W.S.	3F1998P	May-23	Jan-24		\$ 90,000	\$ 90,000.00	\$ -	\$ 90,000.00
Torrey Town W.S.	3F1944P	Jul-23	Jan-24		\$ 91,000	\$ 91,000.00	\$ -	\$ 91,000.00
Ouray Park Water Improvement District	3F1969P	Jul-23	Jan-24		\$ 93,000	\$ 93,000.00	\$ 2,551.00	\$ 90,449.00
Brian Head Town	3F2010P	Jul-23	May-24		\$99,000	\$ 99,000.00	\$ 2,764.25	\$ 96,235.75
Helper Municipal	3F1935P	Apr-23	Jan-24		\$100,000	\$ 100,000.00	\$ 19,069.80	\$ 80,930.20
Salt Lake City	3F1972P	Apr-23	Jul-24		\$100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Moroni City	3F1990P	May-23	Jan-24		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Gunnison City	3F1946P	Apr-23	Jan-24		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
City of St. George	3F1986P	May-23	Feb-24		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Sunset City W.S.	3F1994P	May-23	Feb-24		\$ 100,000	\$ 100,000.00	\$ 33,842.49	\$ 66,157.51
Johnson Water Improvement District	3F1956P	Jul-23	Apr-24		\$ 100,000	\$ 100,000.00	\$ 5,144.50	\$ 94,855.50
Sigurd Town	3F1940P	Aug-23	Oct-23		\$ 70,000	\$ 70,000.00	\$ -	\$ 70,000.00
Green Hills Country Estates Water Sewer Improvement District	3F1985P	Aug-23	Dec-23		\$ 70,000	\$ 70,000.00	\$ 30,232.50	\$ 39,767.50
Scipio Town	3F1932P	Aug-23		\$98,000		\$ 98,000.00		\$ 98,000.00

Salina City	3F1971P	Aug-23	Mar-24		\$100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Manti City	3F1952P	Aug-23	Jan-24		\$100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Wellsville City	3F1982P	Aug-23		\$110,000		\$ 110,000.00	\$ -	\$ 110,000.00
Highland City	3F1936P	Aug-23		\$110,000		\$ 110,000.00	\$ -	\$ 110,000.00
Hanksville Town	3F2042PL	Apr-24	May-24		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Roosevelt City	3F2037PL	Apr-24	Jun-24		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Goshen Town	3F1987PL	Apr-24	Jun-24		\$ 85,000	\$ 85,000.00	\$ -	\$ 85,000.00
Rubys Inn	3F2034PL	Mar-24	May-24		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Elsinore Town WS	3F2029PL	Jan-24	Jul-24		\$ 35,000	\$ 35,000.00	\$ 9,504.50	\$ 25,495.50
Springville City	3F2022PL	Mar-24	Jul-24		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Ogden City	3F2405PL	Oct-24	Oct-24		\$ 100,000	\$ 100,000.00	\$ -	\$ 100,000.00
Subtotal Planning Loans and Grants Authorized				\$318,000	\$5,649,600	\$ 6,202,600.00	\$ 604,445.72	\$ 5,598,154.28
CLOSED PROJECTS PARTIALLY DISBURSED								
Community	Grant #	Date Authorized	Date Agreement Executed	Loan	Grant & P/F	Total	Spent	Remaining On Contract
						\$ -		
						\$ -		
						\$ -		
						\$ -		
						\$ -		
						\$ -		
						\$ -		
						\$ -		
						\$ -		
Subtotal Grants and Loans Partially Disbursed				\$ -	\$0	\$ -	\$ -	\$ -
TOTALS								
Total Authorized Not Closed	\$ 25,202,600.00							
Total Closed Partially Disbursed	\$ 604,445.72							
Pending Disbursement Total	\$ 24,598,154.28							
Total Proposed Projects	\$ -							
Total PF Approved by Board	\$ 19,149,600.00							
Total Loan Approved by Board	\$6,018,000							
Total Closed	\$ 804,445.72							
PROPOSED PROJECTS FOR MARCH 2024								
						\$ -		
						\$ -		
						\$ -		
						\$ -		
						\$ -		
						\$ -		
Total Proposed Projects				0	0	\$ -		
CLOSED AND FINISHED GRANTS AND LOANS								
Bear River Water Conservancy District	3F1984P	25-Jul-23	02-Oct-23		\$ 100,000.00	\$ 100,000.00		
Midvale City	3F2020P	Nov-23	Jan-24		\$ 100,000.00	\$ 100,000.00		
Tropic Town	3F1933PL	Apr-24		DEAUTHORIZED				
East Carbon and Sunnyside	3F1995P	Jul-23		DEAUTHORIZED				
Bicknell Town	3F1937P	Aug-23		DEAUTHORIZED				
Redmond Town	3F1949P	Aug-23		DEAUTHORIZED				
FY 2024 Closed Projects					\$0	\$200,000.00	\$ 200,000.00	

DIVISION OF DRINKING WATER
Emerging Contaminants Grant Funds
as of September 30, 2024

SUMMARY		
	FY22 EC Grant (excludes set-asides):	\$6,797,600
	FY23 EC Grant (excludes set-asides):	\$7,390,000
	FY 24 EC Grant (excludes set asides): N/A	
	Subtotal:	\$14,187,600
LESS AUTHORIZED	Less:	
	Authorized Grants & Closed Grants in Construction:	\$7,030,000
	Subtotal:	\$7,030,000
	Total available after Authorized deducted	\$7,157,600
PROPOSED	Proposed Loan Project(s):	\$1,562,300
	Subtotal:	\$1,562,300
AS OF:		
September 30, 2024	TOTAL REMAINING EC GRANT FUNDS:	\$5,595,300
Total Balance of Funds: \$5,595,300		
Projected Receipts Next Twelve Months:		
	FY2024 EC Grant	
	Total Projections	\$6,800,000
Total Estimated EC Funds Available through 10-01-2025		\$12,395,300

DIVISION OF DRINKING WATER Emerging Contaminants Grant Funds

9/30/2024	Fund 5210
-----------	-----------

9/30/2024	Fund 5210
-----------	-----------

[illegible]

Community	Grant #	Date Authorized	Date Signed/ Closed/Anticipated	Total	
				Grant	
Green River (for loan see SRF Commitments tab)	3F1925E	16-May-23		\$ 3,530,000	3,530,000
Green Hills WSID (for loan see SRF Commits tab)	3F1930E	16-May-23	22-Dec-23	\$ 1,000,000	1,000,000
Granger-Hunter ID	3F2017E	30-Aug-23	20-Dec-23	\$ 2,500,000	2,500,000
					0
					0
					0
					0
					0
					0
					0
					0
Subtotal Loans and Grants Authorized				7,030,000	7,030,000

[illegible][illegible]

PROPOSED PROJECTS for November 2024									
1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40
41	42	43	44	45	46	47	48	49	50
51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70
71	72	73	74	75	76	77	78	79	80
81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100

Salt Lake City				800,000	800,000
Cotton Wood				762,300	762,300
					0
					0
					0
					0
Total Proposed Projects				1,562,300	1,562,300

DIVISION OF DRINKING WATER
FEDERAL SRF LOAN FUNDS
as of September 30, 2024

	Loan Funds 1st Round	Loan Payments			TOTAL
		2nd Round		Hardship Fund	
		Principal	Interest		
Federal Capitalization Grants and State 20% match	\$292,257,701				
Earnings on Invested 1st Round Funds			3,344,295		
Repayments (including interest earnings on 2nd round receipts)		26,702,382	28,910,141	2,859,434	354,073,953
Less:					
Closed loans and grants (total drawn)	-264,782,901				-264,782,901
SUBTOTAL of Funds Available	\$27,474,800	\$26,702,382	\$32,254,436	\$2,859,434	\$89,291,052
Loans & Grants authorized but not yet closed or fully disbursed	#REF!	#REF!	#REF!	#REF!	#REF!
SUBTOTAL of Funds Available less Authorized	#REF!	#REF!	#REF!	#REF!	#REF!
Future Estimates:					
Proposed Loans/Grants for current board package	#REF!			#REF!	#REF!
SUBTOTAL of Funds Available less Proposed Loans & Grants	#REF!	#REF!	#REF!	#REF!	#REF!
PROJECTIONS THRU October-2025					
2023 BIL Supplemental & Match					
2023 FED Base SRF Grant & State Match	0				
2024 BIL Supplemental & Match	19,666,900				
Projected repayments & revenue during the next twelve months		8,990,037	1,199,930	1,029,730	11,219,697
Projected annual investment earnings on invested cash balance		3,600,000		-150,000	3,450,000
TOTAL	#REF!	#REF!	#REF!	#REF!	#REF!

DIVISION OF DRINKING WATER
STATE LOAN FUNDS
as of September 30, 2024

SUMMARY		
	Total State Fund:	\$30,836,634
	Total State Hardship Fund:	\$4,327,459
	Subtotal:	\$35,164,092
LESS BIL SM	Less Reserves:	
	Appropriations from Legislature for 20% BIL State match thru GY26:	\$12,730,000
LESS AUTHORIZED	Less:	
	Authorized Loans & Closed loans in construction:	\$27,675,000
	Authorized Hardship:	\$2,105,891
	Subtotal:	\$29,780,891
	Total available after Authorized & Reserved deducted	-\$7,346,799
PROPOSED	Proposed Loan Project(s):	\$0
	Proposed Hardship Project(s):	\$0
	Subtotal:	\$0
AS OF:		
September 30, 2024	TOTAL UNCOMMITTED STATE LOAN FUNDS:	-\$9,568,366
	TOTAL UNCOMMITTED STATE HARDSHIP FUNDS:	\$2,221,568

Total Balance of ALL Funds: -\$7,346,799

Projected Receipts Next Twelve Months: and Sales Tax Revenue	
Annual Maximum Sales Tax Projection	\$3,587,500
Less Seven County Infrastructure Coalition	(\$363,009)
Less State Match for 2024 Base/BIL Grants	(\$3,057,600)
Less Appropriation to DDW Operating Budg	(\$1,286,500)
SUBTOTAL Sales Tax Revenue including adjustments:	-\$1,119,609
Payment:	
Interest on Investments (Both Loan and Hardship Accounts)	\$600,000
Principal payments	\$2,731,000
Interest payments	\$612,417
Total Projections:	\$2,823,808
Total Estimated State SRF Funds Available through 10-01-2025	-\$4,522,990

DIVISION OF DRINKING WATER
STATE LOAN FUNDS
AS OF September 30, 2024

	5235	5240	
	Loan	Interest	
	Funds	(use for Grants)	Total
Cash:	\$30,836,634	\$4,327,459	\$35,164,092
Less:			
Loans & Grants authorized but not yet closed (schedule attached)	(24,558,000)	(1,487,497)	(26,045,497)
Loans & Grants closed but not fully disbursed (schedule attached)	(3,117,000)	(618,394)	(3,735,394)
Proposed loans & grants	0	0	0
Administrative quarterly charge for entire year	(1,286,500)		(1,286,500)
Seven County Infrastructure Coalition	(363,009)		(363,009)
FY2024 Federal SRF match Base & Supplemental	(3,057,600)		(3,057,600)
	(1,545,475)	2,221,568	676,093
Projected repayments during the next twelve months			
Thru 10-01-2025			
Principal	2,731,000		2,731,000
Interest		612,417	612,417
Projected annual investment earnings on invested cash balance		600,000	600,000
Sales Tax allocation thru Oct-01-2025	3,587,500		3,587,500
Total	\$4,773,025	\$3,433,985	\$8,207,010
* All interest is added to the Hardship Fee account.			

DIVISION OF DRINKING WATER

STATE LOAN FUNDS

	5235 Loan Funds	5240 Interest (use for Grants)	Total
Cash Balance:	\$30,836,634	\$4,327,459	\$35,164,092
Less:			
Loans & Grants authorized but not yet closed (schedule attached)	(27,675,000)	(2,105,891)	(29,780,891)
	\$3,161,634	\$2,221,568	\$5,383,201
One year from date of report estimated expenses			
Adminstrative qtr charge for FY 2024 ongoing	(1,286,500)		(1,286,500)
Seven County Infrastructure Coalition	(363,009)		(363,009)
FY2024 Federal SRF match Base & Supplemental	(3,057,600)		(3,057,600)
	(4,707,109)	0	(4,707,109)
Projected repayments during the next twelve months			
Thru 10-01-2025			
Principal	\$2,731,000		\$2,731,000
Interest		612,417	612,417
Projected annual investment earnings on invested cash balance		600,000	600,000
Sales Tax allocation thru October 01, 2025	3,587,500		3,587,500
Total	\$4,773,025	\$3,433,985	\$8,207,010
* All interest is added to the Hardship account.			
Proposed Projects			0
TOTAL WITH NEXT BOARD MEETING CHANGES			8,207,010

**DIVISION OF DRINKING WATER
STATE LOAN FUNDS
PROJECTS AUTHORIZED BUT NOT YET CLOSED
AS OF September 30, 2024**

Community	Terms	Loan #	Cost Estimate	Date Authorized	Date Closed/Anticipated	Authorized Funding		
						Loan (5235)	Grant (5240)	Total
Ashley Valley Water & Sewer	0%, 30 yrs	3S1859	1,195,297	Apr-24		100,000	1,095,297	1,195,297
North Logan	2.25%, 20 yrs	3S2174	9,030,000	Jun-24		8,030,000	0	8,030,000
Cedarview Montwell SSD	0%, 40 yrs	3S1869A	4,715,000	Jul-22		1,165,000	0	1,165,000
Junction Town Water System	1%, 30 yrs	3S1915	1,854,611	May-23		480,000	120,000	600,000
Myton City	4.7%, 20 yrs	3S2041	162,000	Apr-24		162,000	0	162,000
Oak City - PWS 14010, 50% loan	2.62%, 20 yrs	3S1902	275,000	Nov-22		245,000	0	245,000
Grantsville	4.08%, 20 yrs	3S2141	3,869,466	Jun-24		3,294,000	0	3,294,000
Manti (irrigation)	0%, 40 yrs	3S1924	7,687,000	May-23		7,687,000	0	7,687,000
Wellsville City	2.4%, 20 yrs	3S2040	3,500,000	Apr-24		3,200,000	0	3,200,000
Deseret - Oasis SSD	2.61%, 20 yrs	3S2176	155,000	Jun-24		155,000	0	155,000
Subtotal Loans and Grants Authorized						24,518,000	1,215,297	25,733,297
PLANNING LOANS / GRANTS IN PROCESS								
Stockton Town	0%	3S1870P	40,000	May-22		40,000	0	40,000
Price Municipal Corp		3S1895P	280,000	Aug-22	Oct-22	0	100,000	100,000
Fayette Town		3S2018P	42,000	Sep-23	Oct-23	0	32,000	32,000
Manti City		3S2013P	250,000	Jun-23		0	100,000	100,000
Kanarraville Town Water System	100% PF	3S2033P	50,200	May-24		0	40,200	40,200
Subtotal Planning in Process						40,000	272,200	312,200
CLOSED LOANS (partially disbursed)								
Seven County Infrastructure Coalition	Legis. Pass thru	232043	400,000	Jul-22	May-23	0	289,919	289,919
Powder Mountain WSID	2.54%, 30 yrs	3S1830	1,895,000	Jan-22	Jun-22	300,000	0	300,000
Pleasant Grove City	1.6%, 20 yrs	3S1796	5,400,000	Jun-21	Feb-22	1,000,000	0	1,000,000
Bristlecone - pws 09077	100% PF	3S1822	93,500	Jan-22	Oct-24	0	93,500	93,500
Thompson SSD		3S1747P	29,500	Jan-20	Feb-20	0	3,975	3,975
Bear River WCD-HARPER WARD (#2068)	1%, 20 yrs	3S1849	6,251,400	Jun-22	Aug-24	1,817,000	0	1,817,000
Austin SSD	0%, 39 yrs	3S1803	4,765,000	Feb-24	Jul-24	0	231,000	231,000
Subtotal Closed Loans Partially Disbursed						3,117,000	618,394	3,735,394
TOTAL AUTHORIZED/PLANNING/OR CLOSED BUT NOT YET FUNDED						\$27,675,000	\$2,105,891	\$29,780,891
PROPOSED PROJECTS								
						0	0	0
						0	0	0
						0	0	0
						0	0	0
						0	0	0
						0	0	0
						0	0	0
						0	0	0
Total Proposed Projects						0	0	0

Agenda Item 8(B)

DW SRF LOAN FUNDS
CASH FLOW FORECAST REPORT
October 24, 2024

Status & Projections as of 30 September 2024						
FEDERAL STATE REVOLVING FUND (FSRF - 5210)	State Fiscal Year 2025	State Fiscal Year 2026	State Fiscal Year 2027	State Fiscal Year 2028	State Fiscal Year 2029	State Fiscal Year 2030
Funds Available						
Supplemental 2022 Grant not disbursed	10,072,200					
Base Grant 2023-24 (est w/o inc & less set-asides)	4,643,990	3,216,090	2,749,990	-	-	-
Future Base Grant State Match (est @ 20%)	643,218	643,218	549,998	-	-	-
BIL SRF-Capitalization Grants 2023-26 (est)*	16,091,100	16,716,600	18,107,800	18,107,800	-	-
Future BIL Supplemental State Match (est)	4,518,000	4,894,000	4,894,000	4,894,000	-	-
SRF - 2nd Round (Fund 5210 Balance)	61,865,354	40,557,105	12,654,929	16,171,247	46,280,349	58,867,010
Interest Earnings at 2%	1,237,307	811,142	253,099	323,425	925,607	1,177,340
Interest Payments (5210)	766,761	751,426	736,397	721,669	707,236	693,091
Loan Repayments	9,011,733	9,462,320	9,935,436	10,432,208	10,953,818	11,501,509
Total Funds Available	108,849,663	77,051,901	49,881,648	50,650,349	58,867,010	72,238,950
PROJECT OBLIGATIONS (Draws-excluding 1st Round!)						
Granger Hunter ImpDist: 3F1850 (2nd round piece)	(5,163,130)					
Hyde Park City	(1,000,000)	(500,000)				
Moroni - 3F1878						
Bicknell	(678,000)					
Cornish Town	(337,922)	(500,000)				
East Carbon						
High Valley Water Company - pws 22021	(700,000)	(1,509,000)				
Pine Valley Mt Farms - pws 27061	(630,015)					
Spring City						
Wales Town	(3,406)					
Highlands Water Company	(40,000)					
Big Plains Water SSD	(35,200)					
Beaver City 3F1874	(720,000)					
Levan						
Ukon						
Weber Meadowview 3F1815	(560,000)					
Bridgerland Village 3F1837						
Wanship Mutual 3F1916P	(37,485)					
Wilson Arch	(180,600)					
Neola Water 3F1918P	(75,000)					
CLOSED FIRST ROUND PROJECTS						
Granger Hunter ImpDist: 3F1850 (1st round piece)						
Leeds Domestic Users Assn (1st round)	(3,000,000)	(2,000,000)	(1,402,500)			
Panguitch City 3F1855 (1st round)						
Spring City (1st round)	(1,532,000)	(2,000,000)				
Wallsburg Town 3F1889 (1st round)	(2,494,000)	(2,000,000)				
Green Hills Estates WSID (EC portion excluded?)		(779,000)				
PROJECT AUTHORIZATIONS						
Authorized Projects Under 2 Million	(4,184,198)	(1,726,249)	(665,644)			
Skyline Mountain SSD	(1,923,000)	(1,200,000)				
Roosevelt City	(2,001,400)	(840,000)				
Henefer Secondary Water	(1,100,000)	(2,100,000)				
Johnson WID	(2,000,000)	(352,000)				
Holden Town	(4,345,500)	(3,945,500)				
Brian Head Town	(2,741,874)	(2,741,874)				
Hanna Water & Sewer	(2,695,893)	(620,691)	(167,254)			
TimberLakes SSD 3F1877	(263,000)	(3,000,000)				
Ballard Water ID 3F1896	(5,500,000)	(1,600,000)				
M&J Trailers						
Ogden City (1st round)	(10,000,000)	(10,000,000)	(10,000,000)	(4,370,000)		
Virgin Town	(1,535,245)	(1,535,244)				
Paragonah	(3,350,000)	(3,650,000)				
Green River (EC portion excluded)	(1,000,000)	(1,045,000)				
Stockton Town	(1,700,000)	(1,500,000)				
Big Plains Water SSD	(1,370,000)	(2,000,000)				
Summit County Service Area #3	(1,000,000)	(2,302,414)				
Summit County Service Area #3 (Add \$)			(3,469,003)			
Salt Lake City DPU (SRF of LSLR project)	(2,000,000)	(10,000,000)	(8,175,000)			
Wanship	(1,142,690)	(2,664,000)				
Provo Water Users (Design only)	(1,000,000)	(2,000,000)	(8,000,000)			
Green Hills Estates WSID (add'l funds)	(253,000)					
Mutton Hollow		(190,000)	(1,110,000)			
Elberta Water Company		(96,000)	(721,000)			
Est Total Outflow	(68,292,558)	(64,396,972)	(33,710,401)	(4,370,000)	-	-
Est Fund Balance Available	\$ 40,557,105	\$ 12,654,929	\$ 16,171,247	\$ 46,280,349	\$ 58,867,010	\$ 72,238,950

*EPA grant awards are usually delayed until the following state fiscal year: e.g. GY22 was received in Sept 2022.

UTAH SRF FUND (STATE SRF FUND 5235)	State Fiscal Year 2025	State Fiscal Year 2026	State Fiscal Year 2027	State Fiscal Year 2028	State Fiscal Year 2029	State Fiscal Year 2030
-------------------------------------	---------------------------	---------------------------	---------------------------	---------------------------	---------------------------	---------------------------

DW SRF LOAN FUNDS
CASH FLOW FORECAST REPORT
January 31, 2024

Funds Available						
Water Development Security Fund	\$ 22,450,399	\$ 18,287,681	\$ 13,711,963	\$ 12,793,465	\$ 13,047,865	\$ 20,427,165
Sales Tax Revenue	3,587,500	3,587,500	3,587,500	3,587,500	3,587,500	3,587,500
Loan Repayments	3,150,000	3,308,000	3,473,000	3,647,000	3,829,000	4,020,000
Total Funds Available	29,187,899	25,183,181	20,772,463	20,027,965	20,464,365	28,034,665
General Obligations						
State Match Transfers	(5,161,218)	(5,537,218)	(5,443,998)	(4,894,000)	-	-
DDW Administrative Expenses est inc of 3%	(33,000)	(34,000)	(35,000)	(36,100)	(37,200)	(38,300)
Project Obligations						
Pleasant Grove City	(1,000,000)					
Powder Mtn WSID	(300,000)					
Bear River WCD-HARPER WARD 1% 20yrs	(417,000)	(1,400,000)				
Tridell Lapoint SSD 0% 40 yrs	-	-	-	-	-	-
Circleville Town 470k loan .5% 30yrs						
North Emery SSD 0% int 30 yrs						
Lynnndyl Town						
Loan Authorizations						
Ashley Valley Water & Sewer	(100,000)					
Austin SSD 1.88% 30yrs						
Ephraim City 1% 20yrs						
Cedarview Montwell SSD 0% int 40 yrs	(1,165,000)					
Fruitland SSD						
Oak City	(245,000)					
Junction Town Water System	(480,000)					
Myton City	(162,000)					
Manti (irrigation)	(637,000)	(2,500,000)	(2,500,000)	(2,050,000)		
Wellsville City	(1,200,000)	(2,000,000)				
Stockton Town	(40,000)					
North Logan	(2,030,000)	(6,000,000)				
Deseret - Oasis SSD	(155,000)					
Grantsville	(294,000)	(1,500,000)	(1,500,000)			
Total Obligations	(10,900,218)	(11,471,218)	(7,978,998)	(6,980,100)	(37,200)	(38,300)
WDSF Unobligated Funds	\$ 18,287,681	\$ 13,711,963	\$ 12,793,465	\$ 13,047,865	\$ 20,427,165	\$ 27,996,365
Total SRF Funds	58,844,786	26,366,892	28,964,712	59,328,214	79,294,175	100,235,315

Agenda Item 8(C)

**DRINKING WATER BOARD
BOARD PACKET FOR PROJECT PRIORITY LIST
PRESENTED TO THE DRINKING WATER BOARD**

There are four new projects being added to the project priority list:

Sigurd Town scored 29.2 on the project priority list. Their project is for pipeline replacement.

Angell Springs scored 27.2 on the project priority list. Their project is for treatment, valves and waterlines.

Wasatch Mobile Home Park scored 16.4 on the project priority list. Their project is to connect to Daniel Town.

Cottonwood Mutual Water Co. scored 7.9 on the project priority list. Their project is for emerging contaminant treatment.

THE FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board approve the updated Project Priority List.

Agenda Item 8(D)(i)(a)

**DRINKING WATER BOARD
BOARD PACKET FOR PLANNING ASSISTANCE**

APPLICANT'S REQUEST:

Salt Lake City Water System is requesting funds for a planning and design project to address PFAS contamination in their 4th Avenue Well. This well serves 23% of their existing water system and this study will help Salt Lake City comply with EPA's PFAS National Primary Drinking Water Regulation by 2029.

The total cost of this project is \$800,000. Salt Lake City Water System is requesting the full \$800,000 from the Drinking Water Board.

STAFF COMMENTS:

The local MAGI for the Salt Lake City Water System is \$46,500, which is 90% of the State MAGI. The current average water bill is \$95.83/ERC, which is 2.47% of the local MAGI. The estimated after project water bill at full loan would be \$90.64/ERC or 2.34% of the local MAGI. Based on the after-project water bill and the BIL - Emerging Contaminants Funding guidelines, Salt Lake City Water System qualifies to be considered for additional subsidy.

Option	Loan / Grant	Principal Forgiveness	Loan	Term	Interest Rate	Water Bill	% Local MAGI
1	70/30	\$243,000	\$557,000	20 yrs	1.81%	\$90.64	2.34%
2	100% Grant	\$800,000	\$0			\$90.60	2.34%

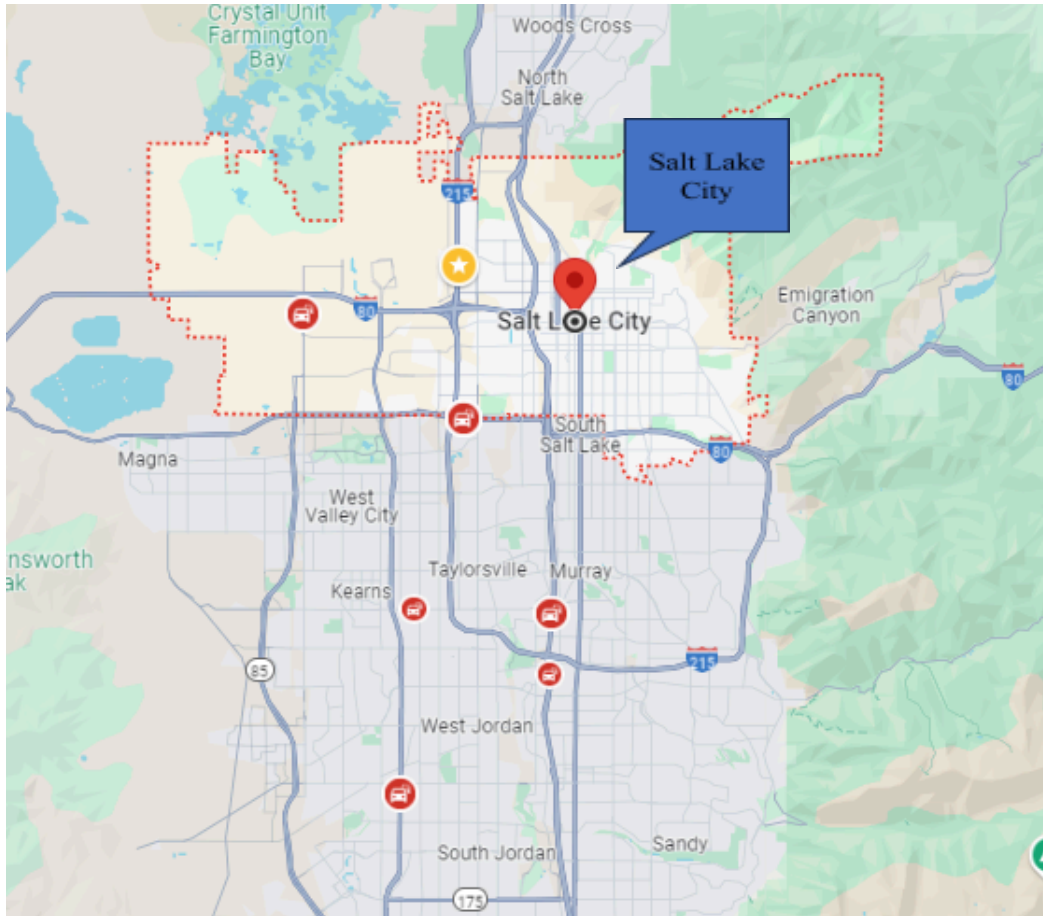
FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board authorize a planning loan of \$800,000 with 100% principal forgiveness from BIL - Emerging Contaminants Funding to Salt Lake City Water System.

APPLICANT'S LOCATION:

Salt Lake City Water System is located in Salt Lake County.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

The Salt Lake City Department of Public Utilities (SLCDPU) is requesting State Revolving Funds (SRF) from the State of Utah Division of Drinking Water (DDW) for a planning and design project to address PFAS contamination in the 4th Avenue Well.

The project objectives are to ensure public health, comply with EPA's PFAS National Primary Drinking Water Regulation by 2029, and provide source redundancy for SLCDPU's drinking water system.

This project will include an engineering study, including an Alternatives Development, Analysis, Selection and 15% Design Development of a minimum of two (2) alternatives for addressing per- and polyfluoroalkyl substances (PFAS) contamination in the 4th Avenue Well.

POPULATION GROWTH:

Population growth is based on Salt Lake City Water System's service area.

Year	Population	Connections
Current	364,982	92,374
2030	376,438	95,273
2040	400,439	101,348

COST ESTIMATE:

Engineering - Design	\$800,000
Total	\$800,000

COST ALLOCATION:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Grant	800,000	100%
Total	\$800,000	100%

IMPLEMENTATION SCHEDULE:

DWB Funding Authorization:	November 2024
Complete Design	January 2026

IPS SUMMARY:

Code	Description	Physical Facilities	Quality & Monitoring	Significant Deficiency Violations
	Total =	0		

CONTACT INFORMATION:

APPLICANT:	Salt Lake City Water System 1530 S West Temple Street Salt Lake City, UT 84115
PRESIDING OFFICIAL & CONTACT PERSON:	Laura Briefer 1530 S West Temple Salt Lake City, UT 84115 801-483-6700 Laura.briefer@slcgov.com
TREASURER/RECORDER:	Lisa Tarufelli 801-483-6755 lisa.tarufelli@slcgov.com
CONSULTING ENGINEER:	Karina Payne Carollo Engineers 7090 South Union Park Avenue Suite 600 Salt Lake City, UT 84047 kpayne@carollo.com
BOND ATTORNEY:	Bradley Patterson Gilmore & Bell 15 West South Temple, Suite 1450 Salt Lake City, UT 84101 801-258-2724 bpatterson@gilmorebell.com

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Salt Lake Water System
 COUNTY: Salt Lake
 PROJECT DESCRIPTION: Engineering study addressing PFAS contamination on 4th Avenue Well.

FUNDING SOURCE: Federal SRF

0 % Loan & 100 % P.F.

ESTIMATED POPULATION:	364,982	NO. OF CONNECTIONS:	76127 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$95.83 *			PROJECT TOTAL:	\$800,000
CURRENT % OF AGI:	2.47%	FINANCIAL PTS:	57	LOAN AMOUNT:	\$0
ESTIMATED MEDIAN AGI:	\$46,500			PRINC. FORGIVE.:	\$800,000
STATE AGI:	\$51,600			TOTAL REQUEST:	\$800,000
SYSTEM % OF STATE AGI:	90%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 4.22%	@ CALCULATED INTEREST RATE 1.81%
<u>SYSTEM</u>			
ASSUMED LENGTH OF DEBT, YRS:	20	20	20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.22%	1.81%
REQUIRED DEBT SERVICE:	\$0.00	\$0.00	\$0.00
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00	\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$0.00	\$0.00	\$0.00
ANNUAL NEW DEBT PER CONNECTION:	\$0.00	\$0.00	\$0.00
 O & M + FUNDED DEPRECIATION:	 \$69,535,909.00	 \$69,535,909.00	 \$69,535,909.00
OTHER DEBT + COVERAGE:	\$9,375,000.00	\$9,375,000.00	\$9,375,000.00
REPLACEMENT RESERVE ACCOUNT:	\$3,851,795.45	\$3,851,795.45	\$3,851,795.45
ANNUAL EXPENSES PER CONNECTION:	\$1,087.17	\$1,087.17	\$1,087.17
 TOTAL SYSTEM EXPENSES	 \$82,762,704.45	 \$82,762,704.45	 \$82,762,704.45
TAX REVENUE:	\$0.00	\$0.00	\$0.00
 <u>RESIDENCE</u>			
MONTHLY NEEDED WATER BILL:	\$90.60	\$90.60	\$90.60
 % OF ADJUSTED GROSS INCOME:	 2.34%	 2.34%	 2.34%

\$0.00

Agenda Item 8(D)(i)(b)

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION ASSISTANCE**

APPLICANT'S REQUEST:

Cottonwood Mutual Water Company needs to build a treatment facility for removal of iron and the emerging contaminant manganese, with 2 filter bins to treat manganese removal. The project will also include SCADA to operate and monitor treatment.

This project scored 7.9 points on the Project Priority List.

The total project cost is \$762,300. Cottonwood Mutual Water Company is requesting the full \$762,300 from the Drinking Water Board.

STAFF COMMENTS:

The local MAGI for the Cottonwood Mutual Water Company is \$132,000, which is 256% of the State MAGI. The current average water bill is \$99.93/ERC, which is .91% of the local MAGI. The estimated after project water bill at full loan would be \$98.99/ERC or .90% of the local MAGI.

Cottonwood Mutual is a small water system and as such they qualify under BIL – Emerging Contaminants Funding guidelines for Principal Forgiveness because they serve less than 25,000 people.

Option	Loan / Grant	Principal Forgiveness	Loan	Term	Interest Rate	Water Bill	% Local MAGI
1	70/30	\$225,000	\$537,300	20 yrs	1.81%	\$98.99	.90%
2	100% Grant	\$762,300	\$0			\$95.32	0.87%

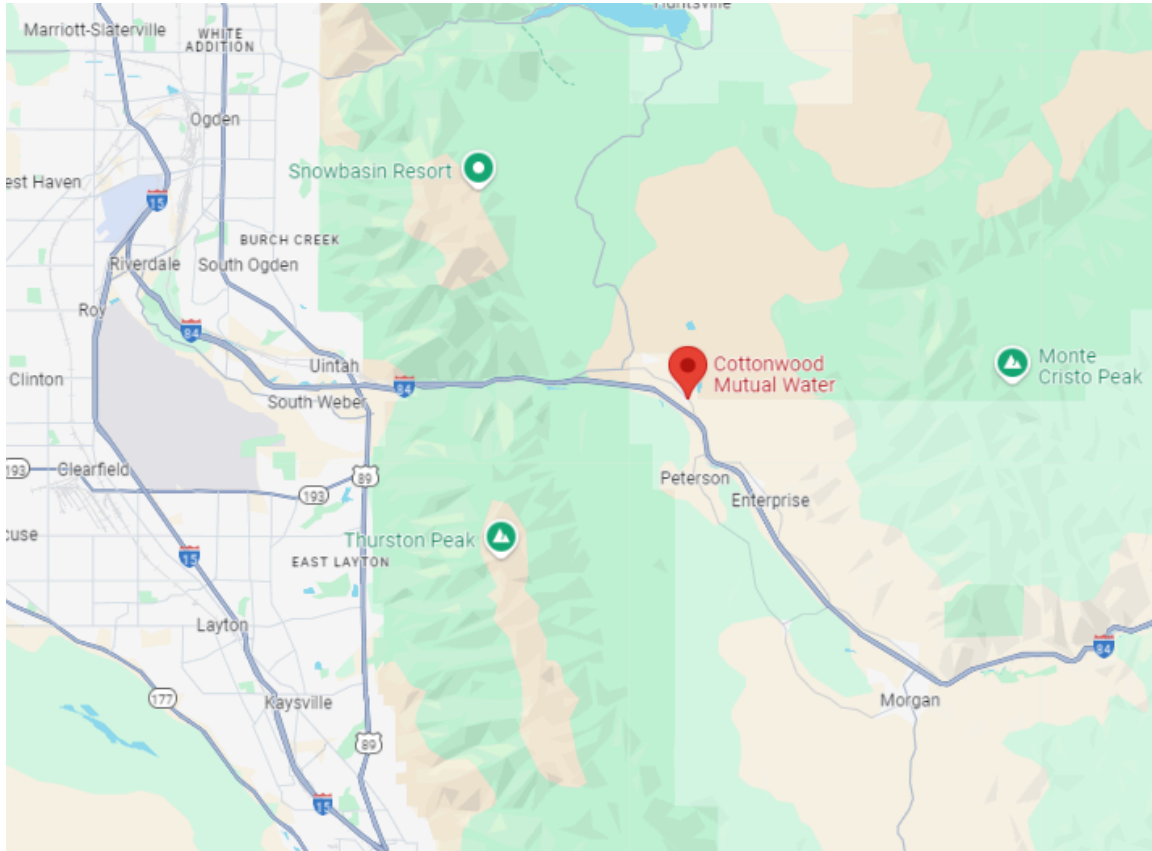
FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board authorize a loan of \$762,300 with 100% principal forgiveness from BIL - Emerging Contaminants Funding to Cottonwood Mutual Water Company.

APPLICANT'S LOCATION:

Cottonwood Mutual Water Company is located in Morgan County approximately 20 miles southeast of Ogden City.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

Cottonwood Mutual Water Company needs to build a treatment facility for removal of iron and the emerging contaminant manganese. The project will include design filtration, piping and building to house the treatment facility.

The existing pump will be replaced with a VFD component to overcome head from filtration. Filtration will consist of 2 filter bins to treat manganese removal, chlorination and filtration using sodium hypochlorite solution, and green sand plus medium to collect precipitated contaminants housed in an enclosed structure. Piping configured to pump water through filtration and back to a dedicated pump line to the tank. The electrical and SCADA to operate and monitor treatment will be included.

POPULATION GROWTH:

Cottonwood Mutual Water Company provided the population growth estimate based on the 2020 census.

Year	Population	Connections
Current	2,935	843
2030	3,190	918
2040	3,850	1,107

COST ESTIMATE:

Legal/Bonding/Admin	\$8,500
Engineering - Design	\$75,000
Engineering - CMS	\$65,000
Construction -	\$558,000
Contingency (~10%)	\$55,800
Total	\$762,300

COST ALLOCATION:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Grant	\$762,300	100%
Total	\$762,300	100%

IMPLEMENTATION SCHEDULE:

DWB Funding Authorization:	November 2024
Complete Design	August 2025
DDW Plan Approval:	September 2025
Advertise for Bids:	September 2025
Bid Opening:	November 2025
Loan Closing:	January 2026
Begin Construction:	January 2026
Complete Construction:	September 2026
DWB Funding Authorization:	November 2024
Complete Design	January 2026
Complete Construction:	September 2026

IPS SUMMARY:

Code	Description	Physical Facilities	Quality & Monitoring	Significant Deficiency Violations
V035	STORAGE TANK VENT LARGER THAN 6 INCHES IN DIAMETER LACKS PROTECTIVE SCREEN	5		
	Total =	5		

CONTACT INFORMATION:

APPLICANT: Cottonwood Mutual Water Company
4000 West Old Highway Road
Mountain Green, UT 84050
801-876-3895
mike@cottonwoodwater.com

PRESIDING OFFICIAL &
CONTACT PERSON: Michael Johanson
4000 West Old Highway Road
Mountain Green, UT 84050
801-876-3895
mike@cottonwoodwater.com

TREASURER/RECORDER: Cynthia Mattson
801-540-5581
district4@cottonwoodwater.com

CONSULTING ENGINEER: Mike Durtschi
Gardner Engineering
1580 W 2100 S
West Haven, UT 84401
801-476-0202

BOND ATTORNEY: Chris Bramhall
Kirtan & McConkie
50 S Temple St, Ste #400
Salt Lake City, UT 84111
801-321-4850
cbramhall@kmclaw.com

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Cottonwood Mutual Water Company FUNDING SOURCE: Federal SRF
 COUNTY: Morgan
 PROJECT DESCRIPTION: Emerging Contaminants project for treatment Facility for removal of iron and manganese

0 % Loan & 100 % P.F.

ESTIMATED POPULATION:	2,935	NO. OF CONNECTIONS:	843 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$99.93 *			PROJECT TOTAL:	\$762,300
CURRENT % OF AGI:	0.91%	FINANCIAL PTS:	30	LOAN AMOUNT:	\$0
ESTIMATED MEDIAN AGI:	\$132,000			PRINC. FORGIVE.:	\$762,300
STATE AGI:	\$51,600			TOTAL REQUEST:	\$762,300
SYSTEM % OF STATE AGI:	256%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 4.22%	@ CALCULATED INTEREST RATE 0.00%
<u>SYSTEM</u>			
ASSUMED LENGTH OF DEBT, YRS:	20	20	20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.22%	0.00%
REQUIRED DEBT SERVICE:	\$0.00	\$0.00	\$0.00
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00	\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$0.00	\$0.00	\$0.00
ANNUAL NEW DEBT PER CONNECTION:	\$0.00	\$0.00	\$0.00
 O & M + FUNDED DEPRECIATION:	\$647,402.00	\$647,402.00	\$647,402.00
OTHER DEBT + COVERAGE:	\$0.00	\$0.00	\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$32,370.10	\$32,370.10	\$32,370.10
ANNUAL EXPENSES PER CONNECTION:	\$806.37	\$806.37	\$806.37
 TOTAL SYSTEM EXPENSES	\$679,772.10	\$679,772.10	\$679,772.10
TAX REVENUE:	\$0.00	\$0.00	\$0.00
 <u>RESIDENCE</u>			
MONTHLY NEEDED WATER BILL:	\$95.32	\$95.32	\$95.32
 % OF ADJUSTED GROSS INCOME:	0.87%	0.87%	0.87%

\$0.00

Agenda Item 8(D)(i)(c)

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION ASSISTANCE**

APPLICANT'S REQUEST:

Angell Springs Special Service District (SSD) is requesting financial assistance to install valves on their tank for improved tank levels, waterlines to loop system dead-ends, and to install a new treatment system for their well. This project scored 27.2 points on the Project Priority List.

The total project cost is \$1,450,859. Angell Springs SSD plans to contribute \$5,000 toward the project and is requesting the remainder of \$1,445,859 from the Drinking Water Board.

STAFF COMMENTS:

The local MAGI for Angell Springs SSD is \$51,900, which is 101% of the State MAGI. The current average water bill is \$85.54/ERC, which is 1.98% of the local MAGI. The estimated after project water bill at full loan for 20 years with 3% interest would be \$197.25/ERC or 4.56% of the local MAGI. Based on the after-project water bill, Angell Springs SSD qualifies to be considered for additional subsidy.

Option	Loan / Grant	Principal Forgiveness	Loan	Term	Interest Rate	Water Bill	% Local MAGI
1	100% / 0%	-	\$1,450,859	20 yrs	3%	\$197.25	4.56%
2	70% / 30%	\$435,859	\$1,010,000	40 yrs	1%	\$123.22	2.85%
3	70% / 30%	\$435,859	\$1,010,000	40 yrs	0%	\$117.55	2.72%

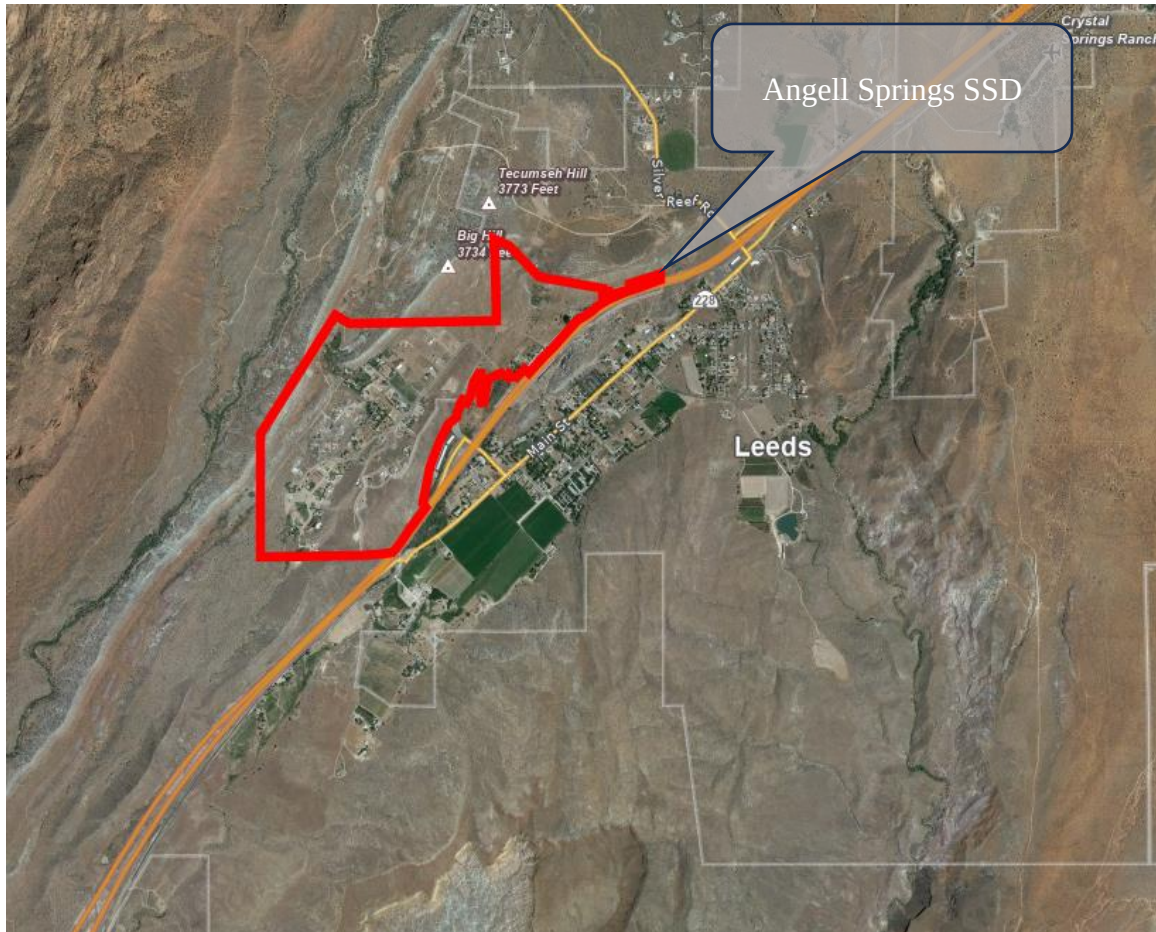
FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board authorize a construction loan of \$1,450,859 with \$435,859 in principal forgiveness to Angell Springs SSD, for a repayable loan amount of \$1,010,000 at 0% for 40 years.

APPLICANT'S LOCATION:

Angell Springs SSD is in Washington County approximately 17 miles northeast from St. George.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

This project consists of 1) valving to control tank levels and provide much needed volume for fire suppression, 2) waterlines to loop system dead-ends and improve pressures, and 3) installation of a new treatment system to treat elevated levels of radionuclides in the ASSSD well.

POPULATION GROWTH:

Year	Population	Connections
5 yr	242	94
15 yr	267	103
25 yr	295	114

COST ESTIMATE:

Legal/Bonding/Admin	\$50,000
Engineering – Design	\$80,250
Engineering – CMS	\$49,750
Construction -	\$1,091,400
Contingency (~16%)	\$179,459
1% Loan Origination Fee	Moved to contingency
Total	\$1,450,859

COST ALLOCATION:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan (1%, 40-yr)	\$1,010,000	69%
DWB Principal Forgiveness	\$435,859	30%
Local Contribution	\$5,000	1%
Total	\$1,450,859	100%

IMPLEMENTATION SCHEDULE:

DWB Funding Authorization:	November 2024
Complete Design	February 2025
DDW Plan Approval:	March 2025
Advertise for Bids:	March 2025
Bid Opening:	April 2025
Loan Closing:	May 2025
Begin Construction:	June 2025
Complete Construction:	November 2025

IPS SUMMARY:

Angell Springs SSD has 0 IPS points.

CONTACT INFORMATION:

APPLICANT:

Angell Springs SSD
PO Box 461234
Leeds, Utah 84746
Telephone: 626-391-9520
Email: karen.asssd@gmail.com

**PRESIDING OFFICIAL &
CONTACT PERSON:**

Karen Blenkinship
PO Box 461234
Leeds, Utah 84746
Telephone: 626-391-9520
Email: karen.asssd@gmail.com

TREASURER/RECORDER:

Kenton Arbon

CONSULTING ENGINEER:

Riley Vane
Jones & DeMille Engineering
1664 South Dixie Drive, STE G102
St George, Utah 84770
Telephone: 435-986-3622
Email: riley.v@jonesanddemille.com

BOND ATTORNEY:

Peter Gessel
Smith Hartvigsen Attorney at Law PLLC
275 East 200 South STE 500
Salt Lake City, Utah 84111
Telephone: 801-413-1600

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Angell Springs SSD
 COUNTY: Washington
 PROJECT DESCRIPTION: Tank valves, waterline loops, treatment system

FUNDING SOURCE: Federal SRF

70 % Loan & 30 % P.F.

ESTIMATED POPULATION:	230	NO. OF CONNECTIONS:	93 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$85.54 *			PROJECT TOTAL:	\$1,450,859
CURRENT % OF AGI:	1.98%	FINANCIAL PTS:	31	LOAN AMOUNT:	\$1,010,000
ESTIMATED MEDIAN AGI:	\$51,900			PRINC. FORGIVE.:	\$435,859
STATE AGI:	\$51,600			TOTAL REQUEST:	\$1,445,859
SYSTEM % OF STATE AGI:	101%				

	@ ZERO % RATE 0%	@ RBI MKT RATE 4.12%		@ CALCULATED INTEREST RATE 0.00%
<u>SYSTEM</u>				
ASSUMED LENGTH OF DEBT, YRS:	40	40		40
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.12%		0.00%
REQUIRED NEW DEBT SERVICE:	\$25,250.00	\$51,943.54		\$25,250.00
*PARTIAL COVERAGE (15%):	\$0.00	\$7,791.53		\$0.00
*DEBT SERVICE RESERVE (10%):	\$2,525.00	\$5,194.35		\$2,525.00
ANNUAL NEW DEBT PER CONNECTION:	\$298.66	\$698.17		\$298.66
O & M + FUNDED DEPRECIATION:	\$56,213.00	\$56,213.00		\$56,213.00
OTHER DEBT + COVERAGE:	\$20,000.00	\$20,000.00		\$20,000.00
REPLACEMENT RESERVE ACCOUNT:	\$4,873.15	\$0.00		\$4,873.15
ANNUAL EXPENSES PER CONNECTION:	\$871.89	\$819.49		\$871.89
TOTAL SYSTEM EXPENSES	\$108,861.15	\$141,142.43		\$108,861.15
TAX REVENUE:	\$0.00	\$0.00		\$0.00
<u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$117.55	\$146.47		\$117.55
% OF ADJUSTED GROSS INCOME:	2.72%	3.39%		2.72%

\$0.00

Agenda Item 8(D)(i)(d)

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION ASSISTANCE**

APPLICANT'S REQUEST:

Wasatch Mobile Home Park is requesting financial assistance to connect to the Daniel Town system.

This project scored 16.4 points on the Project Priority List.

The total project cost is \$250,000 and they are requesting the full amount from the Drinking Water Board.

STAFF COMMENTS:

The local MAGI for the Wasatch Mobile Home Park is \$36,000, which is 70% of the State MAGI. The current average water bill is \$60.00/ERC, which is 2.0% of the local MAGI. The estimated after project water bill at full loan would be \$260.21/ERC or 8.67% of the local MAGI. Based on the local MAGI and after project water bill, Wasatch Mobile Home Park qualifies to be considered for additional subsidy.

Option	Loan / Grant	Principal Forgiveness	Loan	Term	Interest Rate	Water Bill	% Local MAGI
1	70/30	\$75,000	\$175,000	20 yrs	0.0%	\$221.15	7.37%
2	100% grant	\$250,000	\$0			\$136.50	4.55%

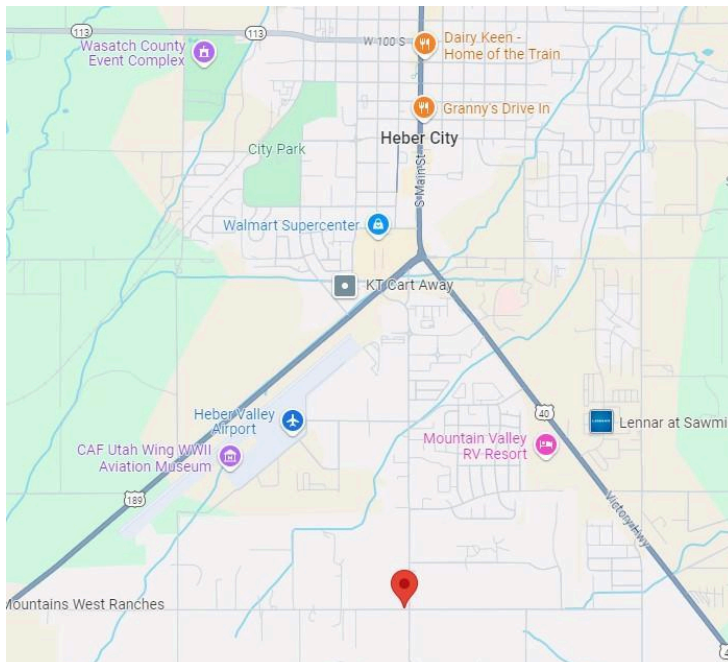
FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board authorize a construction loan of \$250,000 with \$250,000 in principal forgiveness to Wasatch Mobile Home Park.

APPLICANT'S LOCATION:

Wasatch Mobile Home Park is located in Wasatch County within the city boundary of Daniel Town.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

This project will connect the Town of Daniel's culinary water system to serve ten existing private residential connections within the Wasatch Mobile Home Park, currently served by a failing private well. The project scope includes:

- Tapping and Main Lines: Tapping into the existing Daniel Town waterline along 3000 South and installing two 2-inch diameter main pipes.
- Distribution Network: Constructing header lines with five $\frac{3}{4}$ inch diameter reducer tees per main line to distribute water to individual meter vaults.
- Metering and Connections: Installing meters and setters in individual vaults, then connecting service lines to each mobile home within the park.
- Site Restoration: Saw cutting, excavation, trenching, backfill, and surface restoration to ensure the project site is returned to its original condition.

Project Details:

- Water Line Length: 1,920 feet of $\frac{3}{4}$ inch diameter culinary water line.
- Service Laterals: 10 individual residential service laterals.
- Additional Costs: Impact fees and water rights exchange costs will be included in the project budget.

This expansion project will provide essential water infrastructure to the Wasatch Mobile Home Park, ensuring residents have reliable access to clean water.

POPULATION GROWTH:

There is no room for additional connections, only additional population in each trailer.

Year	Population	Connections
Current	31	10
2030	35	10
2040	35	10

COST ESTIMATE:

Legal/Bonding/Admin	\$16,000
Engineering – Design	\$7,300
Engineering - CMS	\$7,300
Construction -	\$105,900
Other (connection fees	\$107,500
Contingency (~10%)	\$6,000
1% Loan Origination Fee	
Total	\$250,000

COST ALLOCATION:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan		
DWB Grant	\$250,000	100%
Total	\$250,000	100%

IMPLEMENTATION SCHEDULE:

DWB Funding Authorization:	Nov 2024
Complete Design	Feb 2025
DDW Plan Approval:	March 2025
Advertise for Bids:	April 2025
Bid Opening:	May 2025
Loan Closing:	June 2025
Begin Construction:	June 2025
Complete Construction:	Aug 2025

Wasatch Mobile Home Park

November 12, 2024

Page 4

CONTACT INFORMATION:

APPLICANT:

Wasatch Mobile Home Park
365 South Garden Grove Lane ste 110
Pleasant Grove, Utah 84062
Telephone: 801-449-0352

**PRESIDING OFFICIAL &
CONTACT PERSON:**

Logan Moffett
365 South Garden Grove Lane ste 110
Pleasant Grove, Utah 84062
Telephone: 385-212-4127
loganmoffettre@gmail.com

CONSULTING ENGINEER:

Greg Seegmiller
JUB Engineers
466 North 900 West
Kaysville, Utah 84037
Telephone: 801-499-9977
gseegmiller@jub.com

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Wasatch Mobile Home Park
 COUNTY: Wasatch
 PROJECT DESCRIPTION: Connection to Daniel Town

FUNDING SOURCE: Federal SRF

0 % Loan & 100 % P.F.

ESTIMATED POPULATION:	31	NO. OF CONNECTIONS:	10 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$60.00 *			PROJECT TOTAL:	\$250,000
CURRENT % OF AGI:	2.00%	FINANCIAL PTS:	35	LOAN AMOUNT:	\$0
ESTIMATED MEDIAN AGI:	\$36,000			PRINC. FORGIVE.:	\$250,000
STATE AGI:	\$51,600			TOTAL REQUEST:	\$250,000
SYSTEM % OF STATE AGI:	70%				

	@ ZERO % RATE 0%	@ RBI MKT RATE 4.12%	@ CALCULATED INTEREST RATE 0.00%
<u>SYSTEM</u>			
ASSUMED LENGTH OF DEBT, YRS:	20	20	20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.12%	0.00%
REQUIRED NEW DEBT SERVICE:	\$0.00	\$0.00	\$0.00
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00	\$0.00
*DEBT SERVICE RESERVE (10%):	\$0.00	\$0.00	\$0.00
ANNUAL NEW DEBT PER CONNECTION:	\$0.00	\$0.00	\$0.00
O & M + FUNDED DEPRECIATION:	\$15,600.00	\$15,600.00	\$15,600.00
OTHER DEBT + COVERAGE:	\$0.00	\$0.00	\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$780.00	\$780.00	\$780.00
ANNUAL EXPENSES PER CONNECTION:	\$1,638.00	\$1,638.00	\$1,638.00
TOTAL SYSTEM EXPENSES	\$16,380.00	\$16,380.00	\$16,380.00
TAX REVENUE:	\$0.00	\$0.00	\$0.00
<u>RESIDENCE</u>			
MONTHLY NEEDED WATER BILL:	\$136.50	\$136.50	\$136.50
% OF ADJUSTED GROSS INCOME:	4.55%	4.55%	4.55%

\$0.00

Agenda Item 8(D)(i)(e)

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION ASSISTANCE**

APPLICANT'S REQUEST:

At the board meeting on August 28, 2024, Elberta Water Company requested financial assistance to drill a replacement well for one of their three wells. The total project cost presented was \$817,000 with a recommendation of a loan in the amount of \$571,000 for 30 years with 0% interest and \$246,000 in principal forgiveness.

During the meeting they stated they would like to refinance their loan from 2013 and roll it into the loan for the new well project. The loan from 2013 has a balance owed of \$274,657 with 0% interest for 30 years. After combining the two projects, the total funding requested from the Drinking Water Board is \$1,091,657

STAFF COMMENTS:

The local MAGI for the Elberta Water Company is \$45,200, which is 88% of the State MAGI. The current average water bill is \$80.82/ERC, which is 2.15% of the local MAGI. The estimated after project water bill at full loan for 20 years at 2.5% interest would be \$162.20/ERC or 4.3% of the local MAGI. Based on the after-project water bill, Elberta Water Company qualifies to be considered for additional subsidy.

Option	Loan / Grant	Principal Forgiveness	Loan	Term	Interest Rate	Water Bill	% Local MAGI
1	100%	\$0	\$1,091,657	20 yrs	2.5%	\$162.20	4.3%
2	77% / 23%	\$245,657	\$846,000	30 yrs	0%	\$97.83	2.6%

STAFF RECOMMENDATION:

The Drinking Water Board authorize a construction loan of \$1,091,657 with \$245,657 in principal forgiveness to Elberta Water Company, for a repayable loan amount of \$846,000 at 0% interest for 30 years.

APPLICANT'S LOCATION:

Elberta Water Company is located in Utah County approximately 30 miles southwest from Provo.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

Production from well 2, which is an old shallow well, started dropping off in 2023. The well was cleaned and inspected multiple times, replaced the pump, motor and column pipe, and treated the well with an acid treatment. Despite these efforts the production did not return, and the well is only pumping around 30gpm. A replacement well will be drilled within 150 feet of well 2, and it will be equipped with the new pump and motor that were purchased for well 2. The target characteristics of the new well will be approximately 450 feet deep, with a safe yield of 100 gpm – 150 gpm.

POPULATION GROWTH:

Year	Population	Connections
5 yr	215	67
15 yr	225	69
25 yr	235	71

COST ESTIMATE:

Legal/Bonding/Admin	\$35,500
Engineering – Design	\$18,000
Engineering – CMS	\$12,000
Construction -	\$634,000
Other -	\$22,300
Contingency (~15%)	\$95,200
2013 Refinance Amount	\$274,657
Total	\$1,091,657

COST ALLOCATION:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan (0%, 30-yr)	\$846,000	77%
DWB Principal Forgiveness	\$245,657	23%
Total	\$817,000	100%

IMPLEMENTATION SCHEDULE:

DWB Funding Authorization:	August 2024
Complete Design	October 2024
DDW Plan Approval:	November 2024
Advertise for Bids:	December 2024
Bid Opening:	January 2025
Loan Closing:	February 2025
Begin Construction:	March 2025
Complete Construction:	May 2025

IPS SUMMARY:

Code	Description	Physical Facilities	Quality & Monitoring	Significant Deficiency Violations
VF34	System lacks required storage capacity due to fire demand but has SOP for following fire incident.	15		
	Total =	15		

CONTACT INFORMATION:

APPLICANT:

Elberta Water Company
PO Box 127
Elberta Utah 84626
Telephone: 801-798-7351

**PRESIDING OFFICIAL &
CONTACT PERSON:**

Bill Ford – Board President
PO Box 121
Elberta Utah 84626
Telephone: 801-798-7351
Fax: 801-798-3397
Email: billford@cut.net

TREASURER/RECORDER:

Bill Ford

CONSULTING ENGINEER:

Jesse Ralphs
Sunrise Engineering
25 East 500 North
Fillmore Utah 84631
Telephone: 435-743-1145
Fax: 435-743-7900
Email: jralphs@sunrise-eng.com

BOND ATTORNEY:

TBD

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Elberta Water Company
 COUNTY: Utah
 PROJECT DESCRIPTION: Replacement Well

FUNDING SOURCE: Federal SRF

77 % Loan & 23 % P.F.

ESTIMATED POPULATION:	211	NO. OF CONNECTIONS:	68 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$80.82 *			PROJECT TOTAL:	\$1,091,657
CURRENT % OF AGI:	2.15%	FINANCIAL PTS:	40	LOAN AMOUNT:	\$846,000
ESTIMATED MEDIAN AGI:	\$45,200			PRINC. FORGIVE.:	\$245,657
STATE AGI:	\$51,600			TOTAL REQUEST:	\$1,091,657
SYSTEM % OF STATE AGI:	88%				

	@ ZERO % RATE 0%	@ RBI MKT RATE 4.21%		@ CALCULATED INTEREST RATE 0.00%
<u>SYSTEM</u>				
ASSUMED LENGTH OF DEBT, YRS:	30	30		30
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.21%		0.00%
REQUIRED DEBT SERVICE:	\$28,200.00	\$50,179.34		\$28,200.00
*PARTIAL COVERAGE (15%):	\$4,230.00	\$7,526.90		\$4,230.00
*ADD. COVERAGE AND RESERVE (10%):	\$2,820.00	\$5,017.93		\$2,820.00
ANNUAL NEW DEBT PER CONNECTION:	\$518.38	\$922.41		\$518.38
 O & M + FUNDED DEPRECIATION:	 \$44,577.00	 \$44,577.00		 \$44,577.00
OTHER DEBT + COVERAGE:	\$0.00	\$0.00		\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$0.00	\$0.00		\$0.00
ANNUAL EXPENSES PER CONNECTION:	\$655.54	\$655.54		\$655.54
 TOTAL SYSTEM EXPENSES	 \$79,827.00	 \$107,301.17		 \$79,827.00
TAX REVENUE:	\$0.00	\$0.00		\$0.00
 <u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$97.83	\$131.50		\$97.83
 % OF ADJUSTED GROSS INCOME:	 2.60%	 3.49%		 2.60%

\$0.00

Agenda Item

8(D)(i)(f)

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION ASSISTANCE**

APPLICANT'S REQUEST:

Sigurd Town is requesting financial assistance in order to replace pipeline throughout the town to improve distribution and address leakage issues.

This project scored 29.9 points on the Project Priority List.

The total project cost is \$1,462,600. The system is contributing \$2,600 and requesting the remaining cost of \$1,460,000 from the Drinking Water Board.

STAFF COMMENTS:

The local MAGI for the Sigurd Town is \$41,600 which is 81% of the State MAGI. The current average water bill is \$59.05/ERC, which is 1.7% of the local MAGI. The estimated after project water bill at full loan would be \$150.29/ERC or 4.34% of the local MAGI.

Option	Loan / Grant	Principal Forgiveness	Loan	Term	Interest Rate	Water Bill	% Local MAGI
1	0 /100	\$0	\$1,460,000	30 yrs	3.2%	\$150.29	4.34%
2	70/30	\$438,000	\$1,022,000	30 yrs	3.2%	\$138.84	4.01%
3	70/30	\$438,000	\$1,022,000	30 yrs	0%	\$129.14	3.73%
4	70/30	\$438,000	\$1,022,000	40 yrs	0%	\$124.89	3.60%

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

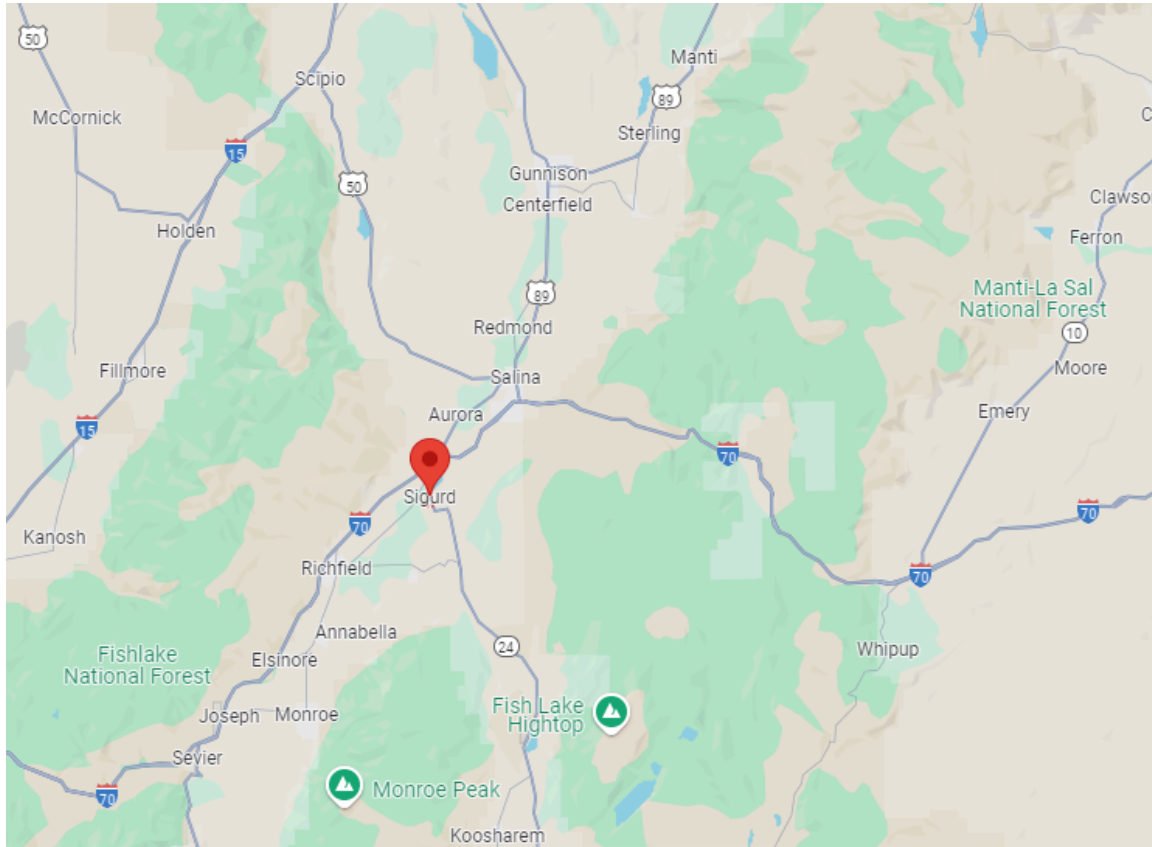
The Financial Assistance Committee recommended the Drinking Water Board authorize a loan of \$1,460,000 with \$438,000 principal forgiveness at 0% interest for 40 years to Sigurd Town.

Conditions include they resolve all points on their IPS report.

APPLICANT'S LOCATION:

Sigurd Town is located in Sevier County approximately 33 miles south of Scipio.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

Installation of approximately 9,600 ft of 6-inch distribution pipeline. This will address leakage issues in the current aged pipe, and allow for future connections to the system.

POPULATION GROWTH:

Year	Population	Connections
2024	493	192
2030	524	200
2040	567	213

COST ESTIMATE:

Legal/Bonding/Admin	\$35,000
Engineering - Design	\$85,000
Engineering - CMS	\$100,000
Construction	\$1,228,000
Construction Contingency	\$14,600
Total	\$1,462,600

COST ALLOCATION:

Funding Source	Cost Sharing	Percent of Project
DWB Loan (0%, 40-yr)	\$1,022,000	70%
DWB Grant	\$438,000	30%
Local Contribution	\$2,600	>1%
Total	\$1,462,600	100%

IMPLEMENTATION SCHEDULE:

DWB Funding Authorization:	Nov 2024
Complete Design	Feb 2025
DDW Plan Approval:	Mar 2025
Advertise for Bids:	Mar 2025
Bid Opening:	Apr 2025
Loan Closing:	Apr 2025
Begin Construction:	June 2025
Complete Construction:	June 2026

IPS SUMMARY:

Code	Description	Physical Facilities	Quality & Monitoring	Significant Deficiency Violations
SP04	Active source lacks approved updates to DWSP plan	5		
DS001	Monitoring, routine (DBP), major		45	
3A	Monitoring, routine, major (RTCR)		50	
	Total = 100			

CONTACT INFORMATION:

APPLICANT:

Sigurd Town
595 North State Street
Telephone: 435-896-4645

PRESIDING OFFICIAL &
CONTACT PERSON:

Gary Hart
595 North State Street, Sigurd, UT 84657
Telephone: 801-458-0493
Email: trah39@aol.com

TREASURER/RECORDER:

Vickie Houston

CONSULTING ENGINEER:

Parker Vercimak
1535 South 100 West, Richfield, UT, 84701
Telephone: 435-896-8266
Email: parker.v@jonesanddemille.com

BOND ATTORNEY:

Richard Chamberlain
Richfield, UT 84701
Telephone: 435-896-4461

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Sigurd Town

FUNDING SOURCE: Federal SRF

COUNTY: Sevier

PROJECT DESCRIPTION: Pipeline replacement

70 % Loan & 30 % P.F.

ESTIMATED POPULATION:	493	NO. OF CONNECTIONS:	192 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$59.05 *			PROJECT TOTAL:	\$1,462,600
CURRENT % OF AGI:	1.70%	FINANCIAL PTS:	36	LOAN AMOUNT:	\$1,022,000
ESTIMATED MEDIAN AGI:	\$41,600			PRINC. FORGIVE.:	\$438,000
STATE AGI:	\$51,600			TOTAL REQUEST:	\$1,460,000
SYSTEM % OF STATE AGI:	81%				

	@ ZERO % RATE	@ RBBI MKT RATE	AFTER REPAYMENT PENALTY & POINTS
	0%	4.22%	3.40%
<u>SYSTEM</u>			
ASSUMED LENGTH OF DEBT, YRS:	40	40	40
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.22%	3.40%
REQUIRED DEBT SERVICE:	\$25,550.00	\$53,337.57	\$47,117.83
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00	\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$2,555.00	\$5,333.76	\$4,711.78
ANNUAL NEW DEBT PER CONNECTION:	\$146.38	\$305.58	\$269.95
 O & M + FUNDED DEPRECIATION:	 \$137,772.00	 \$137,772.00	 \$137,772.00
OTHER DEBT + COVERAGE:	\$98,705.00	\$98,705.00	\$98,705.00
REPLACEMENT RESERVE ACCOUNT:	\$12,114.30	\$13,503.68	\$13,192.69
ANNUAL EXPENSES PER CONNECTION:	\$1,294.75	\$1,301.98	\$1,300.36
 TOTAL SYSTEM EXPENSES	 \$276,696.30	 \$308,652.01	 \$301,499.30
TAX REVENUE:	\$0.00	\$0.00	\$0.00
 <u>RESIDENCE</u>			
MONTHLY NEEDED WATER BILL:	\$124.89	\$138.76	\$135.66
 % OF ADJUSTED GROSS INCOME:	 3.60%	 4.00%	 3.91%

Agenda Item

8(D)(i)(g)

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION ASSISTANCE**

APPLICANT'S REQUEST:

Hanna Water and Sewer District received financial assistance to construct a booster pump station, 4,500 feet of 12-inch distribution line, Duchesne River crossing and 10,100 feet of 8-inch distribution line in the amount of \$3,483,838 on August 31, 2022.

After a delay in completing the environmental work due to a permit issue through EPA, they were finally able to go out to bid and bids have come in higher than the original cost estimate. Hanna Water would like to request an additional \$325,000 to cover the cost increase to the low bidder, as well as the increased cost to provide power for the booster station. This will increase the project cost to \$3,808,838.

They would also like to request an additional advance of \$75,000 for design costs to date and the additional environmental work that needed to be done.

STAFF COMMENTS:

The local MAGI for Hanna is \$30,100, which is 65% of the State MAGI. The current average water bill is \$53.64/ERC, which is 2.14% of the local MAGI. The estimated after project water bill at full loan would be \$116.62/ERC or 4.65% of the local MAGI. Based on MAGI and average monthly water bill, Hanna Water and Sewer qualifies to be considered for additional subsidy.

*Original authorization

Option	Loan / Grant	Principal Forgiveness	Loan	Term	Interest Rate (HGA)	Water Bill	% Local MAGI
1	50/50	\$1,743,838	\$1,740,000	40 yrs	0%	\$101.76	4.06%
*2	25/75	\$2,623,838	\$860,000	40 yrs	0%	\$94.44	3.77%
3	23/77	\$2,948,838	\$860,000	40 yrs	0%	\$94.44	3.77%

STAFF RECOMMENDATION:

The Drinking Water Board authorize additional financial assistance of \$325,000 for a construction loan of \$3,808,838 with \$2,948,838 in principal forgiveness to Hanna Water and Sewer District for a repayable loan amount of \$860,000 at 0% for 40 years. And an advance of \$75,000 from the principal forgiveness, not to exceed \$2,948,838 in principal forgiveness.

APPLICANT'S LOCATION:

Hanna Water and Sewer District is located in Duchesne County approximately 32 miles Northwest of Duchesne.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

Hanna Water and Sewer District needs to construct a booster pump station, 4,500 feet of 12-inch distribution line, Duchesne River crossing and 10,100 feet of 8-inch distribution line. The district's boundary encompasses all of the valley with the exception of Tabiona Town. There are several individual homes on their own wells that want to connect to Hanna Water.

The Duchesne River crossing required a stream alteration permit that triggered EPA to require a nationwide permit because the location was described as Indian country in a court decision from 1954, even though there is no tribal ownership.

Additional costs are for the power company to provide power to the booster station as the current power is not adequate for the booster station.

POPULATION GROWTH:

Population projections are based on the number of connections with the assumption of 3.2 residents per connection and the district's guess for growth in connections.

Year	Population	Connections
Current	742	245
2030	815	259
2040	903	287

COST ESTIMATE:

Legal/Bonding/Admin	\$20,000
Engineering - Design	\$182,000
Engineering - CMS	\$228,000
Construction -	\$3,069,431
Power for booster	\$130,637
Contingency (~10%)	\$178,770
1% Loan Origination Fee	Moved to contingency
Total	\$3,808,838

COST ALLOCATION:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan (0%, 40-yr)	\$860,000	23%
DWB Grant	\$2,948,838	77%
Total	\$3,808,838	100%

IMPLEMENTATION SCHEDULE:

DWB Funding Authorization:	Nov 2024
Complete Design	Feb 2024
DDW Plan Approval:	Aug 2024
Advertise for Bids:	Sep 2024
Bid Opening:	Sep 2024
Loan Closing:	Dec 2024
Begin Construction:	May 2025
Complete Construction:	Oct 2025

CONTACT INFORMATION:

APPLICANT: Hanna Water and Sewer District
PO Box 465
Tabiona, Utah 84072
Telephone: 801-721-2086

PRESIDING OFFICIAL &
CONTACT PERSON: Larry Martin, Chairman
PO Box 465
Tabiona, Utah 84072
Telephone:
hannawaterandsewer@gmail.com

TREASURER/RECORDER: Wendi Roberts
435-322-0508
hannawaterandsewer@gmail.com

CONSULTING ENGINEER: Chuck Richens
Horrocks Engineers
728 West 100 South
Heber City, Utah 84032
Telephone: 435-654-2226
chuckr@horrocks.com

BOND ATTORNEY: Eric Johnson
Johnson & Yellowhorse
PO Box 831
Pleasant Grove, UT 84062
801-520-5333
eric@publicprivatelaw.com

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Hanna
 COUNTY: Duchesne
 PROJECT DESCRIPTION: Tank, booster pump, dist line

FUNDING SOURCE: Federal SRF

23 % Loan & 77 % P.F.

ESTIMATED POPULATION:	742	NO. OF CONNECTIONS:	281 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$53.64 *			PROJECT TOTAL:	\$3,808,838
CURRENT % OF AGI:	2.14%	FINANCIAL PTS:	51	LOAN AMOUNT:	\$860,000
ESTIMATED MEDIAN AGI:	\$30,100			PRINC. FORGIVE.:	\$2,948,838
STATE AGI:	\$46,500			TOTAL REQUEST:	\$3,808,838
SYSTEM % OF STATE AGI:	65%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 3.82%		AFTER REPAYMENT PENALTY & POINTS 0.00%
<u>SYSTEM</u>				
ASSUMED LENGTH OF DEBT, YRS:	39	39		39
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.82%		0.00%
REQUIRED DEBT SERVICE:	\$22,051.28	\$42,762.72		\$22,051.28
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$2,205.13	\$4,276.27		\$2,205.13
ANNUAL NEW DEBT PER CONNECTION:	\$86.32	\$167.40		\$86.32
 O & M + FUNDED DEPRECIATION:	 \$156,232.00	 \$156,232.00		 \$156,232.00
OTHER DEBT + COVERAGE:	\$124,091.25	\$124,091.25		\$124,091.25
REPLACEMENT RESERVE ACCOUNT:	\$13,877.81	\$14,913.39		\$13,877.81
ANNUAL EXPENSES PER CONNECTION:	\$1,046.98	\$1,050.66		\$1,046.98
 TOTAL SYSTEM EXPENSES	 \$318,457.47	 \$342,275.63		 \$318,457.47
TAX REVENUE:	\$7,118.00	\$7,118.00		\$7,118.00
 <u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$94.44	\$101.51		\$94.44
 % OF ADJUSTED GROSS INCOME:	 3.77%	 4.05%		 3.77%

\$0.00

Agenda Item 8(D)(i)(h)

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION ASSISTANCE**

APPLICANT'S REQUEST:

Upper Whittemore Water Company was authorized financial assistance in the amount of \$500,000 to install a chlorinator on November 1, 2022, and an additional \$719,000 on August 28, 2024 for a second chlorinator and increased cost estimates, for a total of \$1,219,000.

At the August 24, 2024 meeting, it was expected the project would close soon. After conversations between staff and Upper Whittemore, they want to explore a more cost-effective option for the system. This will take a little extra time and Upper Whittemore would like to request an advance of \$100,000 from the principal forgiveness for engineering fees incurred to date.

STAFF COMMENTS:

The local MAGI for the Upper Whittemore Water Company is \$46,200, which is 99% of the State MAGI. The current average water bill is \$75.00/ERC, which is 1.95% of the local MAGI. The estimated after project water bill at full loan would be \$256.15/ERC or 6.65% of the local MAGI.

*Authorized Funding

Option	Loan / Grant	Principal Forgiveness	Loan	Term	Interest Rate (HGA)	Water Bill	% Local MAGI
*1	50/50	\$609,000	\$610,000	20 yrs	0%	\$194.08	5.04%

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board authorize an advance of \$100,000 from the principal forgiveness portion of authorized funding, not to exceed a total of \$609,000 in principal forgiveness.

APPLICANT'S LOCATION:

Upper Whittemore Water Company is located in Utah County approximately 21 miles east of Provo in Hobbie Creek canyon.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

New water chlorinator for Fern Basin Spring and install upgrades and a chlorinator to the Crandall Canyon Spring to address pending deficiencies.

Upper Whittemore is a seasonal system with maximum occupancy at 180 days during the calendar year. There is an annual fee, of which they set aside 50% for the water system. This was used to determine the average water bill for the individual connections.

POPULATION GROWTH:

Zero growth anticipated with a maximum number of parcels at 126. Currently have 50 lots with a water supply, some with just a hydrant.

Year	Population	Connections
current	128	50
2030		
2040		

COST ESTIMATE:

Legal/Bonding/Admin	\$43,000
Engineering - Design	\$130,000
Construction -	\$947,000
Contingency (~10%)	\$99,000
Total	\$1,219,000

COST ALLOCATION:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan (0 %, 20-yr)	\$610,000	50%
DWB Grant	\$609,000	50%
Total	\$1,219,000	100%

IMPLEMENTATION SCHEDULE:

DWB Funding Authorization:	Aug 2024
Complete Design	Dec 2024
DDW Plan Approval:	Dec 2024
Advertise for Bids:	Jan 2025
Bid Opening:	Jan 2025
Loan Closing:	Jan 2025
Begin Construction:	June 2025
Complete Construction:	Sep 2026

IPS SUMMARY:

These points are all pending and have not been assessed at this time

Code	Description	Physical Facilities	Quality & Monitoring	Significant Deficiency Violations
TD01	CONTINUOUS DISINFECTION IS REQUIRED BUT CHLORINATOR LACKS AUTOMATIC SWITCHOVER	15		
TD08	CHLORINATOR BUILDING NOT HEADED, LIGHTED OR VENTILATED	15		
TD12	LACK SEPARATE SWITCHES FOR FAN AND LIGHTS NEAR CHLORINE ROOM ENTRANCE	15		
S001	UNAPPROVED SOURCE IN SERVICE			200
S001	UNAPPROVED SOURCE IN SERVICE			200
	Total =			

CONTACT INFORMATION:

APPLICANT: Upper Whittemore Water Company
PO Box 215
Pleasant Grove, Utah 84062

PRESIDING OFFICIAL &
CONTACT PERSON: Dan Clark, President
4105 North Timpview Dr
Provo, Utah
Telephone: 801-420-8784
Dlclark7971@gmail.com

TREASURER/RECORDER: Shauna Woods
801-301-7427
seasonswds@aol.com

CONSULTING ENGINEER:

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Upper Whittemore
 COUNTY: Utah
 PROJECT DESCRIPTION: Chlorinator

FUNDING SOURCE: Federal SRF

50 % Loan & 50 % P.F.

ESTIMATED POPULATION:	128	NO. OF CONNECTIONS:	50 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$75.00 *			PROJECT TOTAL:	\$1,219,000
CURRENT % OF AGI:	1.95%	FINANCIAL PTS:	31	LOAN AMOUNT:	\$610,000
ESTIMATED MEDIAN AGI:	\$46,200			PRINC. FORGIVE.:	\$609,000
STATE AGI:	\$46,500			TOTAL REQUEST:	\$1,219,000
SYSTEM % OF STATE AGI:	99%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 3.87%		AFTER REPAYMENT PENALTY & POINTS 0.00%
<u>SYSTEM</u>				
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.87%		0.00%
REQUIRED DEBT SERVICE:	\$30,500.00	\$44,369.70		\$30,500.00
*PARTIAL COVERAGE (15%):	\$0.00	\$6,655.46		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$3,050.00	\$4,436.97		\$3,050.00
ANNUAL NEW DEBT PER CONNECTION:	\$671.00	\$1,109.24		\$671.00
 O & M + FUNDED DEPRECIATION:	 \$77,500.00	 \$77,500.00		 \$77,500.00
OTHER DEBT + COVERAGE:	\$0.00	\$0.00		\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$5,400.00	\$0.00		\$5,400.00
ANNUAL EXPENSES PER CONNECTION:	\$1,658.00	\$1,550.00		\$1,658.00
 TOTAL SYSTEM EXPENSES	 \$116,450.00	 \$132,962.13		 \$116,450.00
TAX REVENUE:	\$0.00	\$0.00		\$0.00
 <u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$194.08	\$221.60		\$194.08
 % OF ADJUSTED GROSS INCOME:	 5.04%	 5.76%		 5.04%

\$0.00

Agenda Item

9

2024 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN



Table of Contents

Executive Summary	4
SECTION A: Drinking Water State Revolving Fund (DWSRF)	5
A-1 Background & Introduction.....	5
<i>Utah's DWSRF program results through SFY23</i>	7
<i>Emerging Contaminants (EC)</i>	8
A-2 DWSRF Loan Program	8
<i>Loans Program Eligibility Requirements</i>	8
<i>Interest and Fees</i>	9
<i>State fund Drinking Water Loan Program</i>	10
A-3 Set-Asides	10
SECTION B - Intended Use Plan	11
B-1 Summary, Financial Status and Goals	11
<i>Short and Long-Term DWSRF & BIL Grant Goals</i>	12
<i>Transfer of Funds between the DWSRF and CWSRF</i>	13
<i>Portfolio Financing</i>	14
<i>Withholding of Funds</i>	14
<i>Public Review of the IUP</i>	15
<i>Financial status</i>	15
B-2 Loan Program.....	20
<i>Description of Criteria and Method Used for Distribution of Loan Funds</i>	20
<i>Project Priority List (PPL)</i>	21
<i>Green Infrastructure</i>	21
<i>Delayed Authorized Projects</i>	25
<i>Current status and shovel-ready loans</i>	26
<i>Assistance for Disadvantaged Communities</i>	28
<i>Costs Incurred After Application and Prior to Execution of the Loan Agreement</i>	29
<i>Municipal Bond Legal Fees</i>	29
<i>Capacity Development Requirements</i>	29
<i>Environmental Reviews and Categorical Exclusions</i>	29

<i>Criteria for Categorical Exclusion from Environmental Review</i>	30
<i>Public Notice and Participation</i>	30
<i>SRF Reporting</i>	30
B-3 Set-Asides.....	31
<i>Intended use of set-aside funds</i>	32
<i>Set-aside requests and intended uses</i>	35
<i>State Programs set-aside</i>	37
Attachment links	39
Utah Administrative Code Rule R309-705	39
Tables 1 - DWSRF Grants Summary	6
Tables 2 - Maximum Available Set-Asides	16
Table 3 - Sources and Uses	19
Table 4 - Federal SRF and Project Priority List	22
Tables 5 - Authorized Funding	24
Table 6 - Delayed Water System Projects	26
Table 7 - Federal Cash Flows and Draw Forecast	27
Tables 8 - Set-Aside and State Match Requests	32
Tables 9 - Set-Aside Reserves	35

Executive Summary

The Drinking Water Intended Use Plan (IUP) communicates to drinking water systems, the public, the U.S. Environmental Protection Agency (EPA), and other State departments and divisions how money in the Drinking Water State Revolving Fund (DWSRF) will be used and on what terms. The IUP also provides specific details on key aspects of the program, including recent and cumulative performance of the Utah DWSRF, our State's short- and long-term goals, the priority-setting process used to rank projects, lists of projects eligible to receive funding from DWSRF, and programmatic requirements to receive funding.

Utah agrees to comply with all EPA DWSRF regulations, federal grant regulations at 2 CFR Part 200, all applicable federal cross-cutting authorities, and the specific conditions included with each grant. Utah will apply for federal grants from the EPA as allocated in April 2024 in the amounts listed below.

Federal SRF Awards available to Utah			
Grant	Allotment	Current Plan	Future Plan
2024 Base	\$ 4,661,000	\$ 4,661,000	\$ -
2024 BIL Supplemental	\$ 22,985,000	\$ 22,985,000	\$ -
2024 BIL Emerging Contaminants	\$ 7,640,000	\$ 7,640,000	\$ -
2024 BIL Lead Service Line Replacement	\$ 28,650,000	\$ -	\$ 14,325,000
Subtotal BIL Funding	\$ 59,275,000	\$ 30,625,000	\$ 14,325,000
Total EPA SRF Funding	\$ 63,936,000	\$ 35,286,000	\$ 14,325,000

As detailed in the table above, we are not applying for the Lead Service Line Replacement (LSLR) grant now; we may in 2025 if the demand for replacement project funds increases.

The first requirement for a system to obtain funding is to be added to the Utah Project Priority List (PPL). See Table 4 for the PPL dated June 2024. Additions to the PPL are typically approved each time the Utah Drinking Water Board meets for a regularly scheduled meeting. For a summary of the DWSRF project priority list ranking criteria, please see the Description of Criteria and Method Used for Distribution of Loan Funds section on page 20 of this IUP.

Utah will expend the requested grant amounts under the terms and conditions included with each grant. Utah's queue of approved projects awaiting funds is listed in Table 5. Most of these projects are less waiting for funds, than working to meet all the federal or bonding requirements to close on their agreements or loans. Though not visible in Table 3c except as a footnote, our first EC project closed in September 2024!

Our approach for set-aside funds is to reserve (bank) the maximum allowed on our Base grant and to reserve none of the BIL grants. For the Supplemental grant we are requesting the maximum set-asides; for Emerging Contaminants that approach is moderated. See Table B-1 & Tables 8 for more details.

SECTION A: Drinking Water State Revolving Fund (DWSRF)

A-1 Background & Introduction

The federal Drinking Water State Revolving Fund (DWSRF) program was established by the Safe Drinking Water Act (SDWA) Amendments of 1996. It authorizes the U.S. Environmental Protection Agency (EPA) to award capitalization grants to states, which in turn may provide low-cost loans and other types of assistance to eligible public water systems to finance the costs of infrastructure projects needed to achieve or maintain compliance with SDWA requirements. States are also authorized to set aside a portion of their capitalization grants to fund a range of activities including administration, technical assistance, source water protection, capacity development, and operator certification.

Congress made significant changes to the Drinking Water State Revolving Fund operating requirements with the Water Infrastructure Improvement for the Nation Act (WIIN) in 2016 and America's Water Infrastructure Act (AWIA) of 2018. Furthermore, with the 2021 Bipartisan Infrastructure Law (BIL), Congress made significant changes to the Drinking Water State Revolving Fund program with the largest investment since the program's initiation. This new investment will be released in grant years 2022-26 (5 years) and will be disbursed in three new grants—DWSRF Supplemental, Lead Service Line Replacement, and Emerging Contaminants—and for Utah should total about \$305 million. This IUP will reference these BIL grants except Lead Service Line Replacement (LSLR), plus the traditional base DWSRF grant.

The Utah Legislature enacted Utah Code Annotated (UCA) 19-4-101 et seq. establishing the Utah Safe Drinking Water Board (Board). UCA 19-4-104 empowers the Board with rule-making authority to meet the requirements of federal law governing drinking water. UCA 19-1-105(1)(b) establishes the Division of Drinking Water (DDW) which is tasked with the responsibility to administer UCA 19-4-101 et seq. The Board has promulgated rules for making loans incorporating the Federal Safe Drinking Water Act requirements at Utah Administrative Code (UAC) R309-705. Additionally, the Board is authorized by UCA 19-4-104(1)(a)(v) and 19-4-104(2) to promulgate rules for certification of operators and governing capacity development in compliance with Section 1419 and 1420 of the Federal Safe Drinking Water Act.

The responsibility of the Board is to develop policies and procedures for program implementation and to authorize loans in the DWSRF program. The Utah Department of Environmental Quality (DEQ) through DDW directly administers the DWSRF program. The DDW's primary DWSRF activities include administering loans and managing and coordinating the fund.

DDW receives assistance and support from the DEQ's Office of Support Services, the State Division of Finance, the State Attorney General's Office, and the State Treasurer's Office. The salaries and benefits of the employees, as well as indirect costs based on direct salary costs, are charged to the DWSRF program. The State of Utah personnel benefits plan covers employees charging time to the DWSRF program. The DWSRF program is charged a loan administration fee by the Division of Finance.

The DWSRF Base Program, DWSRF Supplemental Program, Lead Service Line Replacement Program, and Emerging Contaminants Program require the states to deposit to the loan fund an amount equal to at least 20%, 20%, 0%, and 0% respectively of the capitalization grant. Loan repayments made by assistance recipients return to the loan fund and provide a continuing source

of financing. The following tables summarize awards received by DDW, the allocation between loan and set-aside funds, and the required state 20% match for the Base & Supplemental SRF grants.

TABLE 1 - DWSRF GRANTS SUMMARY

DIVISION OF DRINKING WATER								
State of Utah								
Department of Environmental Quality								
Table 1								
Summary of DWSRF Base Grants								
June 30, 2024								
Federal	Award Dated	Award Allocation						State
Fiscal Year		Total		Loan Fund		Set-Aside Funds		20% Match
		Amount	%	Amount	%	Amount	%	
1997	February 9, 1998	\$ 12,558,800	100%	\$ 9,755,575	77.679%	\$ 2,803,225	22.321%	\$ 2,511,760
1998	September 20, 1999	\$ 7,121,300	100%	5,633,563	79.109%	1,487,737	20.891%	1,424,260
1999	May 1, 2000	\$ 7,463,800	100%	6,019,720	80.652%	1,444,080	19.348%	1,492,760
2000	August 21, 2000	\$ 7,732,000	100%	6,515,880	84.272%	1,216,120	15.728%	1,551,400
2001	September 7, 2001	\$ 7,789,100	100%	6,542,844	84.000%	1,246,256	16.000%	1,557,820
2002	July 30, 2002	\$ 8,052,500	100%	6,384,100	79.281%	1,668,400	20.719%	1,610,500
2003	August 11, 2003	\$ 8,004,100	100%	6,473,444	80.877%	1,530,656	19.123%	1,600,820
2004	July 8, 2004	\$ 8,303,100	100%	6,724,604	80.989%	1,578,496	19.011%	1,660,620
2005	June 16, 2005	\$ 8,285,500	100%	6,709,820	80.983%	1,575,680	19.017%	1,657,100
2006	June 29, 2006	\$ 8,228,900	100%	6,583,120	80.000%	1,645,780	20.000%	1,645,780
2007	June 27, 2007	\$ 8,229,400	100%	6,562,696	79.747%	1,666,704	20.253%	1,645,880
2008	July 31, 2008	\$ 8,146,000	100%	6,516,800	80.000%	1,629,200	20.000%	1,629,200
2009	May 18, 2009	\$ 19,500,000	100%	18,915,000	97.000%	585,000	3.000%	0
2009	June 22, 2009	\$ 8,146,000	100%	6,822,275	83.750%	1,323,725	16.250%	1,629,200
2010	June 9, 2010	\$ 13,573,000	100%	11,401,320	84.000%	2,171,680	16.000%	2,714,600
2011	July 1, 2011	\$ 9,418,000	100%	7,440,220	79.000%	1,977,780	21.000%	1,883,600
2012	June 12, 2012	\$ 8,975,000	100%	6,590,250	73.429%	2,384,750	26.571%	1,795,000
2013	June 26, 2013	\$ 8,421,000	100%	6,224,890	73.921%	2,196,110	26.079%	1,684,200
2014	June 9, 2014	\$ 9,229,000	100%	6,779,460	73.458%	2,449,540	26.542%	1,845,800
2015	June 8, 2015	\$ 9,169,000	100%	6,645,060	72.473%	2,523,940	27.527%	1,833,800
2016	May 19, 2016	\$ 8,674,000	100%	5,903,760	68.063%	2,770,240	31.937%	1,734,800
2017	September 28, 2017	\$ 8,600,000	100%	5,800,000	67.442%	2,800,000	32.558%	1,720,000
2018	September 26, 2018	\$ 11,107,000	100%	8,200,000	73.827%	2,907,000	26.173%	2,221,400
2019	August 18, 2019	\$ 11,103,000	100%	8,199,000	73.845%	2,904,000	26.390%	2,220,600
2020	July 16, 2020	\$ 11,011,000	100%	8,093,360	73.502%	2,917,640	26.498%	2,202,200
2021	July 14, 2021	\$ 11,100,000	100%	8,694,900	78.332%	2,405,100	21.668%	2,220,000
2022	September 16, 2022	\$ 7,008,000	100%	5,020,920	71.646%	1,987,080	28.354%	1,401,600
2023	October 25, 2023	\$ 4,938,000	100%	3,489,120	70.659%	1,448,880	29.341%	987,600
	Total	\$ 259,886,500	100%	\$ 204,641,701	78.743%	\$ 55,244,799	21.257%	\$ 48,082,300

Note: The 2021 reallocation of \$99K from Wyoming is reflected here.

Table 1a								
Summary of DWSRF Supplemental Grants								
June 30, 2024								
Federal	Award Dated	Award Allocation						State
Fiscal Year		Total		Loan Fund		Set-Aside Funds		10%-20% Match
		Amount	%	Amount	%	Amount	%	
2022	September 16, 2022	\$ 17,992,000	100%	\$ 16,399,000	91.146%	\$ 1,593,000	8.854%	\$ 1,799,200
2023	October 25, 2023	\$ 21,055,000	100%	19,230,000	91.332%	1,825,000	8.668%	\$ 2,105,500

Table 1b								
Summary of DWSRF Lead Service Line Replacement (LSLR) Grants								
June 30, 2024								
Federal	Award Allocation							State
Fiscal	Award	Total		Loan Fund		Set-Aside Funds		0%
Year	Dated	Amount	%	Amount	%	Amount	%	Match
2022	September 16, 2022	\$ 28,350,000	100%	\$ 26,248,000	92.586%	\$ 2,102,000	7.414%	\$ -
2023	October 25, 2023	\$ 28,650,000	100%	24,904,500	86.927%	3,745,500	13.073%	\$ -

Table 1c								
Summary of DWSRF Emerging Contaminants (EC) Grants								
June 30, 2024								
Federal	Award Allocation							State
Fiscal	Award	Total		Loan Fund		Set-Aside Funds		0%
Year	Dated	Amount	%	Amount	%	Amount	%	Match
2022	September 16, 2022	\$ 7,555,000	100%	\$ 6,797,600	89.975%	\$ 757,400	10.025%	\$ -
2023	October 25, 2023	\$ 7,640,000	100%	7,540,000	98.691%	100,000	1.309%	\$ -

Utah's DWSRF program results through SFY24

- ✓ Utah's DWSRF Fund Use Rate at the end of SFY24 was 78%. From the beginning of the program through FY 2024, the DWSRF fund has provided drinking water assistance to communities of approximately \$410 million, \$557 million was available.
- ✓ In SFY24, Utah entered into 18 binding commitments for a total of \$37,366,000, including four planning agreements. These numbers exclude dozens of LSL inventory agreements totaling about \$10M and a handful of planning agreements using the hardship fund.
- ✓ The allotment between states is based on state needs surveys. DDW was allocated one percent for the federal fiscal years 2018 through 2024.
- ✓ DDW will continue to contract with Rural Water Association of Utah (RWAU) to assist small public water systems. They anticipate assisting approximately 300 water systems with capacity development or technical assistance.
- ✓ The State Auditor, in compliance with the provisions of the Single Audit Act, audits the DWSRF accounts. DWSRF accounts are also subject to review and audit by USEPA, the Office of the Inspector General. DWSRF Funds are included in Utah's Comprehensive Annual Financial Report (CAFR), which uses the modified accrual basis of accounting. Because funds are combined, the DWSRF assets, liabilities, and net assets are not identifiable in Utah's CAFR.
- ✓ The State is required to submit an annual Intended Use Plan (IUP) to EPA as long as the Fund or set-aside accounts remain in operation. We plan to use a multi-year work plan this fall for the 2024 grants and amendments to 2022 & 2023 LSLR set-aside requests.
- ✓ DDW under the direction of the Board administers the loan and set-aside programs.
- ✓ The DWSRF program and procedures are expected to primarily continue as described in the Operating Agreement.

Emerging Contaminants (EC)

The BIL Emerging Contaminants (EC) Funding will help water systems in Utah proactively address emerging contaminants before they become regulated and increase future water system resilience. For this IUP and EC funding, emerging contaminants are defined as any contaminant that has appeared on an Environmental Protection Agency (EPA) Contaminant Candidate List

(CCL) and that is not yet regulated. This includes the following: per- and polyfluoroalkyl substances (PFAS), algal toxins, manganese, and unregulated disinfection by-products, among other chemicals. While these contaminants are not yet regulated, they may pose a health risk, and this funding will help protect public health by enabling systems to address these issues earlier than might otherwise be feasible.

Utah expects BIL allotments of \$7.5M or more per year in EC funding. All funds under this program will be provided as grants and/or forgivable loans in accordance with the BIL, and at least 25 percent of the funding is specifically reserved for disadvantaged communities or water systems serving fewer than 25,000 people. All projects funded will be directly related to addressing emerging contaminants as defined above. Managing this EC arena became more complex in SFY24 as PFAS regulations were introduced and initial BIL EC SDC (Small or Disadvantaged Communities) grant allotments were disbursed.

Utah has been conducting proactive PFAS monitoring in drinking water supplies and at points of entry into the distribution across the state since 2020. To this date, a small number of water systems have tested for PFAS at a concerning level. Thus, Utah expects to fund projects targeting PFAS. PFAS-related projects will be prioritized, given the prioritization of funding by the BIL EC and BIL EC SDC. Utah also expects to fund projects targeting manganese, algal toxins, and other emerging contaminants.

A-2 DWSRF Loan Program

The loan program funds low-cost loans and other types of financial assistance to publicly-owned and privately-owned community water systems and non-profit, non-community water systems to finance the costs of infrastructure projects. States are responsible for developing a priority system that identifies how projects will be ranked for funding and a list of projects, in priority order, that are eligible for funding. A description of the criteria and the method used for the distribution of loan funds is outlined in Utah Administrative Code R309-705. AWIA extended both the length of years eligible for water systems to repay the debt and the maximum time period allowed before requiring the first payment due on the outstanding principal balance.

Loans Program Eligibility Requirements

1. Repayment must begin no later than 18 months after project completion.
2. Loan repayment must be completed no later than 30 years after the completion of the project. A disadvantaged community loan may have up to 40 years if the period of the loan does not exceed the expected useful life of the project.
3. A minimum of 15% of all dollars credited to the loan fund must provide loans to small systems, those that serve fewer than 10,000 persons.
4. Funding can be used for principal forgiveness for communities meeting the State's "Disadvantaged" criteria. The Board has defined disadvantaged communities as those communities located in an area that has a median adjusted gross income that is less than or equal to 80% of the State's median adjusted gross income, as determined by the Utah State Tax Commission from federal individual income tax returns excluding zero exemption returns or where the established annual cost of drinking water service to the average residential user exceeds 1.75% of the median adjusted gross income.

5. The 2023 DWSRF capitalization grants may require a percentage of federal funds to be used for additional subsidization in the form of principal forgiveness, negative interest loans, or grants, or any combination of these. This will be defined in the programmatic conditions of the award and will be followed as defined.
6. FY23 grants are subject to American Iron and Steel (AIS) and Build America Buy America (BABA). The AIS and BABA provisions require iron and steel products, and all other materials permanently incorporated into drinking water infrastructure projects be produced in the United States. DDW intends to follow this requirement and has requested waivers for exceptions as necessary.
7. It is not anticipated that the 2023 capitalization grants will require “Green Infrastructure Projects.”
8. Construction bids are required to use Davis-Bacon Act wage rules.

Interest and Fees

1. Federal rules section 1452 allows the state to assess interest and/or fees. Fees are calculated and paid in the same manner as interest. Fees have fewer restrictions than interest. The Board has authorized by Rule the establishment of a fund (or account) into which the proceeds of annual fees are placed.
2. Interest payments are deposited to the same loan fund as principal payments and have the same restrictions.
3. Hardship fees are deposited to a separate fund authorized for providing grants to water systems through a state revolving fund (SRF) loan program.
4. Technical Assistance fees are to finance technical assistance for eligible water systems or other purposes as allowed by section 1452. This fee is part of the “effective rate” calculated using Table 2, R309-705-6. UAC R309-705-3 defines an SRF Technical Assistance Fund which means a fund (or account) that will be established for the express purpose of providing “Technical Assistance” to eligible drinking water systems. These fees are deposited into the hardship fee fund and are tracked separately. The Technical Assistance Fund will also provide low-interest loans for technical assistance, and any other eligible purpose as defined by Section 1452 of the SDWA Amendments of 1996, to water systems that are eligible for Federal SRF loans. Repayment of these loans may be waived in whole or in part (grant funds) by the Board whether or not the borrower is disadvantaged.
5. Origination Fee: The Utah State Legislature established an origination fee to be charged to new loans to fund the administration of the DWSRF program in accordance with UCA 73-10c-10. The set fee of 1% continues to be the rate charged by the Board. It is reviewed annually and may change based on the needs of the program. The origination fee amount is assessed to the loan recipient as a percentage of the principal balance of the loan. It is generally paid at closing as a one-time fee, but the loan recipient may choose to pay separately or with their first pay request from the loan proceeds. All proceeds are deposited into a separate fund. Since fees will be deposited into an account outside of the Fund, they will only be used for program administration or other purposes for which capitalization grants can be awarded under section 1452. Currently, these fees will not be used for any state match requirements. In addition, this fee will not be charged to any disadvantaged community which receives a loan subsidy provided from DWSRF funding.

State Fund Drinking Water Loan Program

The Division of Drinking Water also operates a State-funded Drinking Water Assistance Program also known as the Water Development Security Fund, as authorized in UCA 73-10c-5. The state program provides Utah the flexibility to put together loan packages without the restrictions that accompany the federal program. The DWSRF program requires a 20% state match which is generated from the state SRF loan program and is deposited to Fund 5210 for each grant year before drawing federal funds and within 90 days of grant award. The state Legislature appropriated over \$12M in FY24 to fund the 20% BIL state match requirements.

A-3 Set-Asides

In addition to loan assistance to eligible public water systems, the DWSRF program also emphasizes the prevention of drinking water contamination by allowing states to reserve a portion of their grant to fund activities that encourage enhanced water system management and source water protection. The funded activities are referred to as set-aside funds.

Set-aside activities or functions include:

1. The four percent set-aside provides an allotment to administer the DWSRF and provide technical assistance to public water systems. The calculation for the four percent administrative set-aside consists of choosing the greatest one of three options: 1) \$400,000; 2) 1/5 percent of the current valuation of the fund (must be an audited fund); or 3) an amount equal to four percent of all grant awards in the fund under this section for the fiscal year.
2. Up to two percent of the allotment to provide technical assistance to small public water systems.
3. Up to ten percent of the allotment for state program management activities, including administration of the state public water system supervision program, administration of the source water protection program, development and implementation of the capacity development and operator certification programs.
4. Up to 15 percent of the capitalization grants to assist in the development and implementation of local drinking water protection initiatives, including capacity development, wellhead protection and other state programs.

SECTION B - Intended Use Plan

B-1 Summary, Goals and Financial Status

This Intended Use Plan (IUP) explains how the State plans to use all funds available from the capitalization grants, including funds that will be allocated to the set-asides. Funds are received from the federal capitalization grants, the state match, loan repayments including interest and fee payments, and investment earnings.

The State is applying for the 2024 DWSRF Base, DWSRF Supplemental, and DWSRF Emerging Contaminants (EC) grants in the amounts of \$4,661,000, \$22,985,000, and \$7,640,000 respectively. For a summary, please see Table B-1; for more details, please see the Financial Status section starting on page 15.

TABLE B-1 DDW GRANT REQUESTS SUMMARY

Table B-1 - Drinking Water Grant Year (GY) 2024 Summary				
	Base Grant	Supplemental Grant	Emerging Contaminants (EC) Grant	Total
Federal Allocation	4,661,000	22,985,000	7,640,000	35,286,000
State Match percent	20%	20%	0%	
State Match	932,200	4,597,000	-	5,529,200
Total Grant Funds	\$5,593,200	\$ 27,582,000	\$ 7,640,000	\$ 40,815,200
LOAN FUNDS				
Federal Loan or Subsidy	4,194,900	16,859,650	6,417,600	27,472,150
State Match Loan	932,200	4,597,000	-	5,529,200
Total Loan Funds	\$5,127,100	\$ 21,456,650	\$ 6,797,600	\$ 33,001,350
SET-ASIDE REQUESTS				
4% Admin Total	\$ -	\$ 919,400	\$ 305,600	\$ 1,225,000
2% Small System TA Total	\$ -	\$ 459,700	\$ 152,800	\$ 612,500
10% State Program Total	\$ -	\$ 2,298,500	\$ 382,000	\$ 2,680,500
15% Local Assistance Total	\$ 466,100	\$ 2,447,750	\$ 382,000	\$ 3,295,850
Total Set-Asides	\$ 466,100	\$ 6,125,350	\$ 1,222,400	\$ 7,813,850

This Intended Use Plan (IUP) is for the 2024 DWSRF appropriations except LSLR and includes:

1. Specifics on how the Board proposes to use the appropriations.
2. A description of the goals of the DWSRF program.
3. A list of projects eligible to receive DWSRF funding, which identifies those serving less than 10,000 people.
4. Cost estimates for listed projects.
5. An estimate of funds anticipated to be available for financial assistance.
6. Criteria for selecting projects to receive financial assistance.
7. Criteria for determining which communities qualify for hardship status.
8. The project scoring and ranking system.
9. A list of projects authorized for funding and those anticipated to close in FFY2025 and the 1st or 2nd quarter of FFY2026.

Short and Long-Term DWSRF & BIL Grant Goals

The DWSRF programs will help ensure Utah's drinking water supplies remain safe and affordable, and that drinking water systems are properly operated and maintained. The objectives of the DWSRF program include protecting public health, achieving compliance with SDWA, and assisting systems to provide affordable drinking water.

The EC program will help protect the public health of Utahns by addressing contaminants of concern proactively, prior to regulation. The objectives of the EC program include enabling water systems to address emerging contaminants, supporting planning for projects addressing emerging contaminants, and educating communities about emerging contaminants.

Short-Term Loan Program Goals - Base and Supplemental SRF

1. Seek the award of the FFY 2024 Capitalization Grant to secure federal funding for the DWSRF program and follow all the grant requirements.
2. DDW is actively engaging in portfolio and programmatic financing.
3. Continue to upgrade and improve our enterprise resource planning tool Water Link and migrate our document database program from D2 to Laserfiche.
4. Engage in a more aggressive marketing process to reach water systems in need of capital improvements that are willing and able to meet DWSRF requirements.
5. Work diligently with borrowers to secure authorization of funding from the Board and closing loans in a timely and efficient manner to DWSRF loan applicants.
6. Maintain a permanent and solvent source of funding to assist communities with financing water systems' capital improvements thereby assisting them to maintain compliance with USEPA standards and promote public health.
7. Develop better cross/legacy training to improve employee development and to help with employee transitions.
8. Improve DDW relationships with drinking water stakeholders and others.
9. Continue to refine our cross connection and operator certification programs to be self-sufficient and self-sustaining, therefore independent of DWSRF program funding.

Long-Term Goals and the Set-Aside Goals - Base and Supplemental SRF

1. Help public water suppliers achieve and maintain compliance with Federal and State drinking water standards.
2. Continue outreach activities to ensure systems understand DWSRF assistance options to help develop sound water systems, including managerial, technical, and financial aspects.
3. Continue to educate and support water suppliers with their cyber water protection (counter-terrorism) efforts.
4. Continue to expand and automate the Operator Certification program.
5. Continue to improve the onboarding process for new hires.
6. Continue to develop and grow the department by filling all vacant positions in the division.
7. Complete migration of our document database program tool from D2 to Laserfiche with internal & external training.
8. Continue identifying non-compliant water systems using the ETT (Enforcement Target Tool) to assist them in providing safe drinking water to the public.

Short-Term Emerging Contaminants Program Goals:

1. Seek the FFY 2024 award to secure federal funding for the EC program and follow all grant requirements.
2. Engage with water systems to raise awareness of both BIL EC grants and explain eligibility nuances.
3. Educate water systems on emerging contaminants, program requirements, and best practices.
4. Provide funding for water systems to address emerging contaminants.
5. Conduct exploratory monitoring to gather data needed to estimate the scope of emerging contaminant issues in the state and prioritize water systems' funding requests.

Long-Term Emerging Contaminants Program Goals:

1. Work with water systems to reduce the public's exposure to emerging contaminants via drinking water.
2. Develop and refine outreach and education materials explaining the health risks of emerging contaminants for both water systems and the public.

Transfer of Funds within DEQ between the DWSRF and CWSRF

The Drinking Water Board and Division of Drinking Water reserve authority to transfer funds from the Drinking Water SRF program to the Clean Water SRF (CWSRF) program. The amount reserved for future transfers is up to 33% of the DWSRF capitalization grant award. The table below indicates the reserved transfer amount by award year.

Award Year	DWSRF Base Capitalization Grant	Reserved Transfer Amount
2022	\$7,280,000	\$2,402,400
2023	\$4,938,000	\$1,629,540
2024	\$4,661,000	\$1,538,130
	TOTAL	\$5,570,070

Award Year	DWSRF Supplemental Capitalization Grant	Reserved Transfer Amount
2022	\$17,992,000	\$5,937,360
2023	\$21,055,000	\$6,948,150
2024	\$22,985,000	\$7,585,050
	TOTAL	\$20,470,560

For SFY25, the projected amount of funds to be transferred is \$0, with no short- or long-term impacts on the fund. Justification for transfers to the Drinking Water SRF program, if any, including amount, type of funds, and fund impact, will be documented in a future IUP. Additionally, cross-collateralization is not anticipated to be used in the Drinking Water Program as the program does not leverage funding.

Portfolio Financing

The Division of Drinking Water SRF program is in its sixth year (started in SFY2020) using portfolio financing with its SRF loans. This process aids larger water systems with substantially large and multifaceted projects. This simplifies the process as these water systems can fund multiple projects with a single bond to build these projects over several years. With previous financing methods, a separate bond was required for each individual project.

Withholding of Funds

EPA has the authority to withhold funds under certain provisions, but the DWB/DDW has complied with the following:

1. The State has authority to ensure all new community water systems and new non-transient, non-community water systems commencing operation after October 1, 1999, demonstrate technical, managerial, and financial capacity with respect to each drinking water regulation in effect. Utah Code Annotated 19-4-104 empowers DDW with rule-making authority to meet the requirements of Federal law governing drinking water.

2. The State has developed and is implementing a strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity.
3. The State has adopted and is implementing a program for certifying operators of community and non-transient, non-community public water systems.

EPA has approved the State's capacity development and operator certification programs.

Public Review of the IUP

A draft IUP will be published on the Drinking Water website, www.drinkingwater.utah.gov in October 2024 along with a request for comments. Notice of the posting and request for public comment will be included in the DW Board's November 2024 meeting. The draft IUP will be available for download; the DEQ website will accept comments. Upon request, the IUP will be e-mailed to individuals and agencies for their review and comments in October & November 2024. Comments may be made in writing addressed to the Board at 195 North 1950 West, PO Box 144830, Salt Lake City, Utah 84114-4830 or in person at a regularly scheduled Board meeting. Comments received will be reviewed and incorporated as deemed necessary into the final IUP and the set-aside work plan (due to EPA 90 days from the grant award date).

Financial status

Initial capitalization for the Utah DWSRF program was provided from the 1997 Federal Capitalization Grant and state matching dollars. For 27 years, from 1997 through 2023, DWSRF Base & Supplemental capitalization grants totaled \$298,735,500. The total loan program portion was \$240,270,701 and \$58,704,155 was authorized for the set-aside programs. The State 20% match for the same period was \$50,999,400 and added to the loan program; it is funded by sales tax revenue and the Drinking Water State loan program. Through June 30, 2024, the Board has authorized and closed 202 federal projects totaling approximately \$424,000,000.

DDW is applying for Base SRF Grant of \$4,661,000 using the 1% allocation (less Congressionally directed spending) and based on the appropriations adopted by Congress for fiscal year 2024. It is anticipated \$3,961,850 will be provided to the loan fund and \$699,150 to set asides. The state 20% match of \$932,200 will be transferred to the loan fund within 90 days of the award date. Table 2 identifies the maximum set-asides that could be requested if every possible set-aside percentage and all reserves were requested to be awarded in the 2024 capitalization grant. Though this scenario is very unlikely, it identifies all available resources except unquantified carryover. See Table B-1 or Tables 8 for our actual requests.

DDW is applying for the Supplemental SRF Grant of \$22,985,000. It is anticipated that \$15,859,650 will be provided to the loan fund and \$7,125,350 to set-aside funds. The state 20% match of \$4,597,000 will be transferred to the loan fund within 90 days of the award date. DDW is applying for the Emerging Contaminants Grant of \$7,640,000. It is anticipated that \$6,417,600 will be provided to the grant fund and \$1,222,400 to set asides. There is no state match required for this grant.

TABLE 2 - MAXIMUM AVAILABLE SET-ASIDES

TABLE 2 - SRF BASE				
MAXIMUM AVAILABLE SET-ASIDE AWARDS W/STATE MATCH				
IF ALL BASE RESERVES WERE USED WITH THIS GRANT				
ACTIVITY	PROG ELEM	BEG RESERVE BALANCE	2024 max with 20% State Match	
Loan Fund	23DA		850,473	932,200
Combined Loan w/state match		-		1,782,673
4% Administrative Set-Aside	23DD		186,440	4%
4% Reserve Amount		876,026		
Maximum 4% w/max reserves		876,026	186,440	1,062,466
2% Small Sys Tech Asst Max	23DE		93,220	2%
2% Reserve Amount		443,903		
		443,903	93,220	537,123
10% Reserve Amount	23DF	1,045,688		
PWS Supervision full 10%			466,100	10%
Capacity Development Oversight				
Source Water Protection				
Operator Certification				
TOTAL State Program Set-Aside		1,045,688	466,100	1,511,788
15% Local Assistance Set-Aside Max	23DG	no reserve	699,150	15%
TOTAL Local Assistance Set-Aside		-	699,150	699,150
(No more than 10% in one category)				
TOTALS				
TOTAL LOANS W/STATE MATCH			850,473	932,200
TOTAL SET-ASIDES AVAILABLE		2,365,617	1,444,910	3,810,527
TOTAL CAPITALIZATION GRANT		2,365,617	2,295,383	5,593,200

TABLE 2a - SRF Supplemental				
Set-Aside Supplemental SRF Reserves after Grant Year 2023				
IF ALL SUPP RESERVES WERE USED WITH THIS GRANT				
ACTIVITY	BEG RESERVE BALANCE	BEG RESERVE BALANCE	2024 max with 20% State Match	
Loan Fund			11,153,130	4,597,000
Combined Loan w/state match		-		15,750,130
4% Administrative Set-Aside	23DD		919,400	4%
4% Reserve Amount		1,002,880		
Maximum 4% w/max reserves		1,002,880	919,400	1,922,280
2% Small Sys Tech Asst Max	23DE		459,700	2%
2% Reserve Amount		670,940		
		670,940	459,700	1,130,640
10% Reserve Amount	23DF	3,032,700		
PWS Supervision full 10%			2,298,500	10%
Capacity Development Oversight				
Source Water Protection				
Operator Certification				
TOTAL State Program Set-Aside		3,032,700	2,298,500	5,331,200
15% Local Assistance Set-Aside Max	23DG	no reserve	3,447,750	15%
TOTAL Local Assistance Set-Aside		-	3,447,750	3,447,750
(No more than 10% in one category)				
TOTALS				
TOTAL LOANS W/STATE MATCH			11,153,130	4,597,000
TOTAL SET-ASIDES AVAILABLE		4,706,520	7,125,350	11,831,870
TOTAL CAPITALIZATION GRANT		4,706,520	18,278,480	27,582,000

TABLE 2c - SRF Emerging Contaminants				
MAXIMUM AVAILABLE SET-ASIDE AWARDS W/STATE MATCH				
IF ALL EC RESERVES WERE USED WITH THIS GRANT				
ACTIVITY	PROG ELEM	BEG RESERVE BALANCE	2024 max with 0% State Match	
Loan Fund	23DA		3,547,800	0
Combined Loan w/state match		-		3,547,800
4% Administrative Set-Aside	23DD		305,600	4%
4% Reserve Amount		242,200		
Maximum 4% w/max reserves		242,200	305,600	547,800
2% Small Sys Tech Asst Max	23DE		152,800	2%
2% Reserve Amount		263,600		
		263,600	152,800	416,400
10% Reserve Amount	23DF	1,218,000		
PWS Supervision full 10%			764,000	10%
Capacity Development Oversight				
Source Water Protection				
Operator Certification				
TOTAL State Program Set-Aside		1,218,000	764,000	1,982,000
15% Local Assistance Set-Aside Max	23DG	no reserve	1,146,000	15%
TOTAL Local Assistance Set-Aside (No more than 10% in one category)		-	1,146,000	1,146,000
TOTALS				
TOTAL LOANS W/STATE MATCH			3,547,800	0
TOTAL SET-ASIDES AVAILABLE		1,723,800	2,368,400	4,092,200
TOTAL CAPITALIZATION GRANT		1,723,800	5,916,200	7,640,000

Sources & Uses Summary

We separated the SRF Base & Supplemental grants from the EC & LSLR grants for Table 3 in this IUP. This makes it much easier to see the supply and demand by grant type. Please note Tables 5 & 5c for potential projects, some of which are not yet submitted.

TABLE 3 - SOURCES AND USES

SOURCES AND USES - SRF Base & Supplemental Grants TABLE 3				
	Cumulative Total thru 6/30/2023		7/1/23 - 6/30/24	Cumulative Total thru 6/30/2024
SOURCES:				
Federal Capitalization Grants	272,742,500	a	25,993,000	298,735,500
State Match				
20% Capitalization Grant Match (10% for Supp in GYs 22-23)	48,854,300	b	3,093,100	c 51,947,400
10% Set-Aside 1:1 Match	18,041,630		-	d 18,041,630
Principal Repayments on Assistance Provided	138,924,047		12,458,370	e 151,382,416
Interest Payments	21,198,449		874,980	22,073,429
Interest Earnings	11,274,023		3,682,419	14,956,442
Funds from Leveraging	-		-	f -
Fees Deposited into the DWSRF	-		-	-
Funds Transferred from (to) CWSRF	-		-	-
Sources Total	511,034,949		46,101,868	557,136,817
USES:				
Loan/Grant Agreements Entered:				
Large Systems (>10,000 population)	140,975,415		(1,219,384)	139,756,031
Small Systems (≤10,000 population)	242,864,022		41,698,686	284,562,708
Set-Asides:	-			-
4% Administration	10,021,635		522,520	10,544,155
2% Small System Technical Assistance	4,608,010		153,760	4,761,770
10% State Program Management- 1:1 match	18,041,630		-	18,041,630
PWSS Program Augmentation	20,945,952		798,800	21,744,752
Source Water Administration	1,854,024		190,000	2,044,024
Operator Certification	1,053,210		-	1,053,210
Capacity Development Program Oversight	466,874			466,874
PD Database	620,000		-	620,000
State Program Management Total	24,940,060		988,800	25,928,860
15% Local Assistance/Other State Programs	-			-
Local Assistance & Capacity Development Outreach	12,861,333			12,861,333
Capacity Development Project	997,537		1,443,800	2,441,337
Source Water Assessments	352,978		-	352,978
Wellhead and GIS tracking	1,648,722		165,000	1,813,722
LA/Other State Program Subtotal	15,860,570		1,608,800	17,469,370
Uses Total	498,111,971		43,753,182	501,064,524

Notes:

- Total federal appropriation through FFY 2022 Capitalization Grant. DDW uses a FIFO methodology for Unliquidated Obligations which can be found in Table 7 "2022 and 2023 Cash Flows and Cash Draw Proportionality" on page 28. (Grants for 2023 were not awarded until October 2023.)
- 20% State Match came from Water Development State Revolving Fund thru FY 2022.
- 10% and 20% State match for 2023 Capitalization Grants were deposited to Fund 5210 before drawing first round federal funds and within 90 days of award date.
- Any award entered after December 16, 2016, no longer requires the 1:1 State Match in accordance with the 2017 WIIN Act.
- 2024 repayments, interest and investment earnings are actuals.
- DDW does not leverage any of their SRF funds

SOURCES AND USES - Emerging Contaminants Grants TABLE 3c				
	Cumulative Total thru 6/30/2023		7/1/23 - 6/30/24	Cumulative Total thru 6/30/2024
SOURCES:				
Federal Grants	7,555,000	a	7,640,000	15,195,000
Sources Total	7,555,000		7,640,000	15,195,000
USES:				
Loan/Grant Agreements Entered:				
Large Systems (>10,000 population)	-		-	-
Small Systems (≤10,000 population)	-	b	-	-
Set-Asides:				
4% Administration	215,600		150,000	365,600
2% Small System Technical Assistance	40,300			40,300
10% State Program Management				-
PWSS Program Augmentation	201,500			201,500
Source Water Administration			100,000	100,000
Operator Certification				-
Capacity Development Program Oversight				-
PD Database				-
State Program Management Total				301,500
15% Local Assistance/Other State Programs				-
Local Assistance & Capacity Development Outreach	300,000			300,000
Capacity Development Project				-
Source Water Assessments				-
Wellhead and GIS tracking				-
LA/Other State Program Subtotal				300,000
Uses Total	757,400		250,000	1,007,400

Notes:

- Total federal appropriation through FFY 2022 Capitalization Grant. DDW uses a FIFO methodology for Unliquidated Obligations which can be found in Table 7 "2022 and 2023 Cash Flows and Cash Draw Proportionality" on page 28. (Grants for 2023 were not awarded until October 2023.)
- First EC project (Green Hills \$.5M) closed on 9/10/2024.

B-2 Loan Program

Utah Administrative Code (UAC) R309-705 establishes criteria for financial assistance to public drinking water systems in accordance with the Federal SDWA. It was recently updated; the current version (effective 22 May 2023) of UAC R309-705 can be found at <https://adminrules.utah.gov/public/search/drinking%20water/current%20rules>. The 2024 DWSRF capitalization grant—along with carry forward funds from previous grant awards, repayments, interest and fee payments, and investment earnings—will provide the funds the Division needs to help public water systems finance needed drinking water projects.

Description of Criteria and Method Used for Distribution of Loan Funds

The complete description of the criteria and methods used for distribution of funds is outlined in Utah Administrative Code (UAC) R309-705-6. As described in R309-705-6, the priority system assigns points to systems showing a deficiency in source, storage, treatment, and/or the

distribution system. Points are assigned based on the relative risk of each deficiency and are divided as applicable between health risk and compliance with SDWA. The applicant's priority points are modified by a financial factor, known as the Rate Factor, and the AGI Factor. Their calculation is shown below:

Priority rating = (Average number of points received) X (Rate Factor) X (AGI Factor)

Where: Rate Factor = (Average System Water Bill / Average State Water Bill)

AGI Factor = (State Median AGI / System Median AGI)

The priority points for demonstrated deficiencies are multiplied by the Rate Factor and AGI Factor to arrive at a final priority rating. This method addresses financial hardships present in less affluent communities and in those already experiencing higher water rates.

Upon arriving at a final priority rating for each applicant, each application is rated and added to the priority list. The Board may, at its option, modify a project's priority rating based on the conditions described in R309-705. The Board sets the effective interest, hardship fee and/or technical assistance fee rate and decides the amounts allowed for principal forgiveness or grants. The most current Revenue Bond Buyer Index (RBBI) is used as the base rate. Table 2 in UAC R309-705-6 is used to determine the reduction of the interest rate (or other rate) which potentially may be reduced to zero percent.

Project Priority List (PPL)

DDW operates with a continuous project priority list. When applications are received throughout the year, they are reviewed to ensure compliance with federal and state drinking water regulations and scored based on the rating factors indicated in the previous paragraph.

Applications meeting requirements are prepared for presentation to the Board for authorization. (The Board is required by Utah law to meet at least quarterly.) Since the applications are submitted throughout the year and may be scored and closed quickly, on occasion a water system project may not have been included in any intended use plan. However, the continually updated PPL is posted on the division website and additions or changes are approved by the Board (see Table 4).

The PPL will be used for 2024 DWSRF capitalization grants and any other funds used for SRF projects. Projects authorized by the Board that have not been closed are entered in the section titled "Authorized Funding." Staff is working with these systems to meet EPA requirements to close the loans; see Table 5 for lists of authorized projects not closed (funded) by June 30, 2024.

Green Infrastructure or Green Project Reserve

Since 2012, DWSRF capitalization grants do **not** require projects to meet a minimum percentage to be used for water efficiency, energy efficiency, green infrastructure, or other environmentally innovative activities. Though recently proposed and currently authorized projects do not reflect a Green % in the current PPL, DDW is always pursuing green projects including technological innovations to enhance green development.

TABLE 4 - FEDERAL SRF AND LSLR PROJECT PRIORITY LIST

Utah Federal SRF Program - Table 4													
				Project Priority List									
	June 25, 2024												
Priority Points												Authorized	
	Total Unmet Needs:	\$985,385,344		Total Needs, incl. Recent funding	\$878,735,982			\$ 39,243,650	\$574,527,661	11 Segments			
	System Name	County	Pop.	Project Title	Project Total	SRF Assistance	Bill funds authorized	Principal Forgiven	Funds Authorized	Source	Treat	Star	Dist
N	14.00	Elberta Water Company	Utah	211 Drilling New Well	\$825,070	\$825,070							
N	1.80	Mutton Hollow	Davis	560 Pipeline replacements and upgrades	\$1,477,800	\$1,300,000							
A	99.3	M&J Trailer Home	Box Elder	27 New well, tank, dist line, arsenic trmt	\$1,660,000	\$1,540,000			\$1,540,000	85	65	20	40
A	77.1	Brian Head Town	Iron	New Well drilling and equipping, replace main li	\$6,427,292	\$5,141,834			\$5,483,748				
A	65.8	Brian Head Town	Iron	165 Install new transmission line/line hydrants along	\$857,986	\$507,870			\$507,870				20
A	64.4	Johnson WID	Utah	1,880 upgrading 24,000 ft undersized waterlines	\$2,452,000	\$2,352,000		\$ 2,352,000	\$2,352,000				40
A	63.6	Roosevelt City	Duchesne	6,800 pipeline replacement, lining of DI pipe, new pipe	\$2,951,400	\$2,841,400			\$2,841,400				25
A	55.9	Ballard Water ID	Utah	1,367 800,000 gal tank, well; 3.5 miles of 12" trans li	\$7,287,000	\$7,100,000		\$ 3,500,000	\$7,100,000	20		15	30
A	53.5	Virgin Town	Washington	New 500,000 gal water tank and waterline	\$2,248,000	\$1,848,000			\$1,848,000				
A	48.9	Roosevelt City	Duchesne	8,461 12000 ft of 12" transmission line, 2 PRV station	\$2,418,600	\$2,300,000			\$2,300,000				
A	48.5	Pinion Forest SSD	Duchesne	640 Water treatment improvements: chlorination a	\$300,000	\$300,000			\$299,000	50			
A	47.2	Pine Valley Mountain Farms	Washington	144 Tank refurbishment, trans line replacement, sola	\$418,485	\$348,500			\$630,015			25	30
A	43.9	Wilson Arch	San Juan	27 New water lines, water meters, booster pump,	\$1,138,000	\$1,138,000		\$ 569,000	\$1,138,000			20	
A	40.7	Granger-Hunter ID - Emerging C	Salt Lake	132,887 WTP to treat manganese on Wells 16& 18	\$11,457,840	\$2,500,000			\$13,957,840				
A	39.2	Ogden City	Davis	88,221 Replace the transmission line that runs down C	\$87,000,000	\$34,370,000		\$ 3,500,000	\$34,370,000				
A	36.3	Cornish Town	Cache	270 well house, RO/Chlorine Treatment, Booster, 2	\$1,704,922	\$1,504,922			\$1,504,922	10	25	25	
A	31.4	Stockton Town	Tooele	New Well	\$3,000,000	\$3,000,000			\$3,000,000				

PP	System Name	County	Pop.	Project Title	Project Total	SFF Assistance	BL funds authorized	Principal Forgiveness	Funds Authorized Source	Treat. Shou	Dist
A	29 Hanna Water and Sewer District	Duchesne	742	200,000 gallon tank, booster pump station, dist	\$3,483,838	\$3,483,838			\$3,483,838		20
A	28.1 Upper Whittemore	Utah	128	chlorinator	\$500,000	\$500,000		\$ 250,000	\$500,000	10	25
A	28 Payson City	Utah	22,725	Connect Church to City water system	\$346,430.00	\$346,430			\$346,430		
A	28 Leeds Domestic Water	Washington	797	New well, chlorinator, main line and dist line re	\$7,524,500	\$7,519,500			\$7,792,500	20	5
A	27.4 Wallsburg Town	Wasatch	300	500,000 gallon tank, new pipeline, PRV	\$6,933,000	\$6,933,000					50
A	27.2 Green Hills Estates WSID	Weber		New pump house	\$2,085,287	\$1,921,076			\$2,047,000		
A	26.7 North Emery SSD	Emery	1,500	new 250,000-gallon tank, replace PRV vaults, r	\$2,550,000	\$2,050,000		\$ 1,538,000	\$2,050,000		
A	23.7 Foothill WAU	Iron	30	250,000 tank, meters, hydrants; wellhouse, well	\$603,030	\$603,030					
A	21.7 Wellsville City	Cache			\$3,589,652	\$3,200,000			\$3,200,000		
A	20.3 Salt Lake City DPU	Salt Lake	364,982	Planning & Construction for LSL Inventory & Re	\$39,525,000	\$39,525,000	\$39,525,000	\$ 19,350,000			
A	16.5 Paragonah	Iron		Waterlines, new well, 250,000 gallon tank	\$7,452,000	\$7,300,000			\$7,300,000		
A	15.3 Fremont Waterworks Company	Wayne	320	3100 ft. line: new master meters, 6 hydrants, re	\$1,429,250	\$1,425,000					
A	13.8 Orderville Town	Kane	645	Replace aging pipeline, new pipeline	\$490,000	\$479,700			\$479,700		
A	13.5 Desert Sage AWWID	Utah	55	Watermain replacement, hydrants, meters, ser	\$598,460	\$578,460			\$578,000		
A	11.5 Bristlecone	Gaffield	180	SCADA, drainage and overflow relocation	\$93,500	\$93,500			\$93,500	8	15
A	10.4 Myton Town	Duchesne	590	New waterline and connections, hydrants.	\$650,000	\$650,000			\$650,000		
A	10.4 Panguitch	Gaffield	1,730	9000 lf 10-in mainline, valves, hydrants, connec	\$1,629,000	\$1,609,000			\$1,609,000		10
A	9.8 Holden Town	Millard	450	New well, tank, dist lines, meters, chlorination	\$8,841,000	\$8,691,000			\$8,691,000	20	5
A	9.5 Wanship	Summit	204	Construct new storage tank, replace spring pip	\$3,806,690	\$3,806,690			\$3,806,690		
A	8.5 Hidden Lake Association	Summit	364	New well, distribution line, 50,800 gal concrete	\$3,838,040	\$3,838,040					
A	7.5 Enoch City	Iron	6,500	New 2M Gallon steel tank	\$1,639,440	\$645,000			\$645,000		
N	3.2 Summit County Service Area #	Summit	600	Drill new well, new well house, make system-w	\$3,569,003	\$3,469,003					
A	0 Henefer (Secondary Irrigation)	Summit	1,025	Secondary irrigation	\$2,100,000	\$2,100,000			\$2,100,000		
N =	New Application	E=	Energy Efficiency								
A =	Authorized	W=	Water Efficiency								
P =	Potential Project-no	G=	Green Infrastructure								

TABLE 5 - AUTHORIZED FUNDING

TABLE 5 - AUTHORIZED SRF PROJECTS as of 6/30/2024						
Community	PWS #	Loan #	Loan Amt	Forgiveness	Total	Disadv.
Cornish Town	03005	3F1812	\$ 754,000	\$ 750,922	\$ 1,504,922	X
Skyline Mountain SSD	20043	3F1831	\$ 3,123,000	\$ -	\$ 3,123,000	X
Roosevelt City	07004	3F1854	\$ -	\$ 2,841,400	\$ 2,841,400	X
Henefer Town	22005	3F1843	\$ 3,200,000	\$ -	\$ 3,200,000	
Johnson WID - pws	07006	3F1862	\$ -	\$ 2,352,000	\$ 2,352,000	X
Holden Town	14013	3F1847	\$ 5,191,000	\$ 3,100,000	\$ 8,291,000	X
San Juan County - NTUA Westwater #2	19000	3F1821P	\$ -	\$ 457,000	\$ 457,000	X
San Juan County La Sal	19000	3F1871P	\$ -	\$ 60,000	\$ 60,000	X
Brian Head Town	11001	3F1861A	\$ 632,000	\$ 271,934	\$ 903,934	X
Brian Head Town	11001	3F1910	\$ 3,838,000	\$ 1,645,748	\$ 5,483,748	X
Hanna Water & Sewer ID	07062	3F1883	\$ 860,000	\$ 2,623,838	\$ 3,483,838	X
Ballard WID	24001	3F1896	\$ 3,600,000	\$ 3,500,000	\$ 7,100,000	X
Timber Lakes Water SSD	26057	3F1877	\$ 3,263,000	\$ -	\$ 3,263,000	X
Upper Whittemore Water Co	25136	3F1900	\$ 250,000	\$ 250,000	\$ 500,000	X
South Duchesne Culinary Water	07067	3F1879A			\$ -	X
Ogden City	29011	3F1908	\$ 34,370,000	\$ -	\$ 34,370,000	
Virgin Town	27020	3F1909	\$ 2,140,000	\$ 930,489	\$ 3,070,489	X
Paragonah Town	11014	3F1913	\$ 5,110,000	\$ 2,190,000	\$ 7,300,000	X
Green River (for p/f see Emerg Contam)	08005	3F1925E	\$ 2,045,000	\$ -	\$ 2,045,000	
Stockton Town (Add'l \$ & Design Adv.)	23010	3F1928	\$ 2,240,000	\$ 960,000	\$ 3,200,000	X
Green Hills Estates WSID	29053	3F1930E	\$ 1,179,000	\$ 351,000	\$ 1,530,000	X
Payson City - Christian Life Assembly	25021	3F2003	\$ -	\$ 343,000	\$ 343,000	X
Fremont Waterworks Company	28002	3F2016	\$ 997,000	\$ 428,000	\$ 1,425,000	X
Foothill Water Users Assoc -	11099	3F2006	\$ 554,000	\$ 237,554	\$ 791,554	X
Holiday Hills HOA	25154	3F2025	\$ 599,000	\$ 256,830	\$ 855,830	X
Big Plains Water SSD	27069	3F2032	\$ -	\$ 3,370,000	\$ 3,370,000	X
Salt Lake City DPU (SRF of LSLR project)	18026	3F2028	\$ 20,175,000		\$ 20,175,000	
Summit Service Area #3	22105	3F2075	\$ 3,302,414	\$ -	\$ 3,302,414	X
Summit County Service Area #3 (Add \$)	22105	3F2075	\$ 1,388,000	\$ 2,081,000	\$ 3,469,000	X
Wanship Mutual Water Co.	22017	3F2108	\$ 2,664,000	\$ 1,142,690	\$ 3,806,690	X
Emerg Contam Funds/Projects		Loan #	Loan Amt	Forgiveness	Total	
Green River	08005	3F1925E		\$ 3,530,000	\$ 3,530,000	
Green Hills Estates WSID	29053	3F1930E		\$ 500,000	\$ 500,000	
Granger Hunter ID	18007	3F2017		\$ 2,500,000	\$ 2,500,000	
TABLE 5b - PROPOSED AND POTENTIAL PROJECTS						
Community		Loan #	Loan Amt	Forgiveness	Total	Disadv.
Provo Water Users (Design only)		3F2175	\$ 11,000,000		\$ 11,000,000	
Tables 5 Grand		Totals	112,474,414	36,673,405	149,147,819	

Table 5c - Emerging Contaminants Proposed Project List To-Date

Water System	PWS Number	Emerging Contaminant(s)	Estimated Cost	Project Description
Salt Lake City	18026	PFAS	\$800,000	Feasibility study comparing PFAS treatment alternatives for one well
Cottonwood Mutual	15013	Manganese	\$593,540	Manganese remediation for one well using green sand filtration
South Salt Lake	18032	Manganese	\$2,200,000	Manganese remediation
Price Municipal Corporation	04007	Cyanotoxins	\$2,000,000	New treatment plant design for ozone/GAC to address algal toxins
Mountain Regional	22137	Manganese & Cyanotoxins	\$28,181,000	Treatment plant expansion to address manganese and HABs (Harmful Algal)

Emergency & Project Readiness Considerations

In 2023, the Board increased the funding limit for emergency and planning projects that do not require Board review from \$40,000 to \$100,000. This change allows the Executive Secretary and Assistant Executive Secretary to approve funding requests more quickly for Lead Service Line (LSL) inventories, Emerging Contaminants (EC) projects, and emergencies. The Division has established an application process for LSL and EC projects. The criteria for emergency requests include any one-time, unexpected, or unanticipated disruption in the ability to provide safe and reliable drinking water, whether caused by natural disasters, supply shortages, or infrastructure failures. Funding sources for emergencies include all available federal SRF grants plus state SRF revolving funds. Any funding authorized by the Division for such projects will be listed in the packet for each Board meeting.

Some recent examples of these types of projects are three ARPA projects that were approved by the DWB Executive Secretary (or Assistant ES) at \$40,000 for emergencies at Echo, Escalante, and Thompson in 2022. In 2023 & 2024, nearly a hundred planning projects of \$100,000 or less (mostly LSLR inventories) were approved by the DWB Assistant ES. In FY 2025 the Board may consider adopting a new project readiness criterion such as “Will the project be ready to begin construction within a year from the date authorized?” If not, the Board may elect to defer authorization until a later date.

Delayed Authorized Projects

Table 6 identifies and explains water system projects that were scored and included in previously submitted project priority lists or were included in the 2023 Intended Use Plan. Some projects have been substantially delayed while others have been withdrawn. For others, the funding profile has changed, and the project will not use federal DWSRF funds for a variety of reasons.

TABLE 6 - WATER SYSTEM PROJECT DELAYS

TABLE 6 - DELAYED PROJECTS as of June 30, 2024			
Community	Loan #	Amt of Assistance	Reason not funded
Cornish Town	3F1812	\$ 1,504,922	Nitrates: water sources blending plan issues; closed Aug'24
San Juan County - NTUA Westwater #2	3F1821P	\$ 457,000	On hold; transfer authorized \$ to other Westwater project
Bristlecone	3F1822	\$ 93,500	moved to state program
Skyline Mountain SSD	3F1831	\$ 3,123,000	Legal issues; closed August 2024
Henefer Town	3F1843	\$ 3,200,000	Change in scope
Holden Town	3F1847	\$ 8,291,000	Extension
Roosevelt City	3F1854	\$ 2,841,400	Environmental issues (orchid & fish species)
Brian Head Town	3F1861A	\$ 903,934	ARPA agreement was executed in July 2024
Brian Head Town	3F1910	\$ 5,483,748	Principal forgiveness agreement was executed in July 2025
Johnson WID	3F1862	\$ 2,352,000	Extension
San Juan County La Sal	3F1871P	\$ 60,000	Feasibility study nearly complete
Timber Lakes Water SSD	3F1877	\$ 3,263,000	Change in scope
Hanna Water & Sewer ID	3F1883	\$ 3,483,838	Extension
Ballard WID	3F1896	\$ 7,100,000	Extension
Upper Whittemore Water Co	3F1900	\$ 500,000	Water rights issues
Ogden City	3F1908	\$ 34,370,000	Coordinating many sources of funding; closing Oct 2024 ?
Virgin Town	3F1909	\$ 3,070,489	
Paragonah Town	3F1913	\$ 7,300,000	Easement issues with BLM
Green River (see Emerging Contam. tab	3F1925E	\$ 2,045,000	Dual combo funding; Environmental issues
Stockton Town (Add'l \$\$ & Design Adva	3F1928	\$ 3,200,000	Deauthorized portion; moved to state program
Green Hills Estates WSID	3F1930E	\$ 1,530,000	Triple combo funds; Environmental issues; closed 9/10/24
Payson City - Christian Life Assembly	3F2003	\$ 343,000	First PR was submitted in June, but got lost in email.
		\$ 94,515,831	

Current DWSRF Program status and shovel-ready projects

DDW staff routinely promotes the program and encourages water systems to apply for financial assistance at conferences, in presentations and training sessions, through letters written to both water system administrative contacts and consulting engineers, and through personal visits by DDW's Executive Director to individual towns around the state. Although DDW is aware of the need for drinking water system infrastructure improvement projects at systems throughout the state, until ARPA & BIL these efforts had produced limited results. DDW will continue to explore ways to better market the DWSRF loan program with drinking water systems. Many water systems in Utah qualify for and require substantial principal forgiveness, which until BIL was very limited in the Utah DWSRF Program. Increased principal forgiveness limits have encouraged decision-makers to improve their system infrastructure and maintain or achieve compliance with regulations.

Table 7 identifies equivalency projects from the authorized table projecting a federal draw forecast to provide federal cash flow in FFY 2025. Most projects listed are either in progress or are "shovel ready" and should be closed in the summer of 2024 or the first half of calendar 2025.

TABLE 7 - FEDERAL CASH FLOWS AND DRAW FORECAST

TABLE 7 – 2022 - 2024 GRANTS FEDERAL CASH FLOWS AND DRAW FORECAST									
SUBRECIENT	LOAN NO	BINDING CLOSED DATE	START DATE	TOTAL ULOs and new loan amounts	FFYs 2024-25 Ending 9/30/25				
					QTR 4 (J-S 24)	QTR 1 (O-D 24)	QTR 2 (J-M 25)	QTR 3 (A-J 25)	QTR 4 (J-S 25)
Authorized or Closed loans not fully disbursed as of 6/30/2024									
Some of these are portfolio projects									
Wallsburg	3F1889	Apr-24	2023	4,494,000	2,000,000	1,000,000		1,494,000	
Granger-Hunter ID (Base grants)	3F1850	May-23		11,912,620	5,594,620				
Spring City	3F1926	Jun-24		3,532,000					1,000,000
Leeds Domestic Users Assn	3F1892	May-24		6,402,500	1,000,000	-			1,000,000
Ogden City	3F1908			34,370,000		5,000,000	5,000,000	4,370,000	2,000,000
Green Hills (SRF portion)	3F1930E			1,530,000	400,000				1,130,000
Green River (SRF portion)	3F1925E			2,045,000			620,000		625,000
EC									
Green River (Emerging Contaminants)	3F1925E			3,530,000				530,000	3,000,000
Green Hills (EC portion)	3F1930E			500,000	500,000				
Granger-Hunter	3F2017E			2,500,000					2,500,000
Salt Lake City	TBD			800,000					800,000
Cottonwood Mutual	TBD			593,540					593,540
South Salt Lake	TBD			2,200,000					2,200,000
Price	TBD			2,000,000					2,000,000
TOTALS				\$ 76,409,660	\$ 9,494,620	\$6,000,000	\$5,620,000	\$6,394,000	\$16,848,540
2022 SRF Supplemental AWARD #FS 96886601		17,992,000		\$ 10,020,000	\$ 3,400,000	\$6,000,000	\$ 620,000		
State match transfers to loans requested in Nov 2022		1,799,200				\$ -		\$ -	\$ -
				\$ 10,020,000	\$ 3,400,000	\$6,000,000	\$ 620,000	\$ -	\$ -
2023 SRF Base AWARD #FS 99878423		4,938,000		\$ 3,489,120	\$ 3,489,120				
State match transfers to loan Fund (5210): Fall 2023		987,600							
				\$ 3,489,120	\$ 3,489,120	\$ -	\$ -	\$ -	\$ -
2023 SRF Supplemental AWARD #FS 96886623		21,055,000		\$ 19,230,000			\$5,000,000	\$5,864,000	\$ 5,755,000
State match transfers to loan Fund (5210): Fall 2023		2,105,500		\$ 2,105,500	\$ 2,105,500			\$ -	\$ -
				\$ 21,335,500	\$ 2,105,500	\$ -	\$5,000,000	\$5,864,000	\$ 5,755,000
2022 EC Award #FS 96886901		7,555,000		\$ 6,797,600	\$ 500,000	\$ -	\$ -	\$ 530,000	\$ 5,500,000
2023 EC Award #FS 96886923		7,640,000		\$ 7,390,000					\$ 5,593,540
2024 EC Award #FS 96886924		7,640,000		\$ 6,417,600					
2024 SRF Base AWARD #FS 99878424		4,661,000		\$ 3,961,850					
State match transfers to loan Fund (5210): Fall 2024		932,200							
				\$ 3,961,850	\$ -	\$ -	\$ -	\$ -	\$ -
2024 SRF Supplemental AWARD #FS 96886624		22,985,000		\$ 15,859,650					
State match transfers to loan Fund (5210): Fall 2024		4,597,000		\$ 4,597,000				\$ -	\$ -
				\$ 20,456,650	\$ -	\$ -	\$ -	\$ -	\$ -
2022 LSLR Award #FS 96886801		28,350,000		\$ 20,979,000	\$ 425,000	\$1,000,000	\$1,000,000	\$1,000,000	\$ 5,000,000
2023 LSLR Award #FS 96886802		28,650,000		\$ 21,201,000					
Total of all grants					\$ 9,919,620	\$7,000,000	\$6,620,000	\$7,394,000	\$21,848,540

Additional information:

1. The 10% & 20% state match transfers into the DWSRF fund for grant award 2023 were requested before drawing federal funds and within 90 days of receiving the awards.
2. The 20% state match transfers for 2024 grant awards will be moved into the DWSRF fund (Fund 5210) before drawing federal funds and within 90 days from receiving the awards
3. All federal funds are disbursed using a FIFO method (first in first out).

Assistance for Disadvantaged Communities

Section 1452 (d) changed in 2009 to require states to provide a minimum of 20 percent additional loan subsidies in the form of negative interest, grants or principal forgiveness to benefit communities meeting the State's definition of "disadvantaged". Since then, there has been a variety of changes as to how much subsidization has been required each year or that may have been permitted with a ceiling percentage as high as 50 percent of the annual DWSRF capitalization award amount. The 2024 allotments from the Consolidated Appropriations Act of 2024 now mandate that the states use at least twelve percent but not more than 35 percent for additional subsidization of the 2024 allotment of the DWSRF capitalization grant. Additional authority was authorized in the America's Water Infrastructure Act (AWIA) of 2018. In AWIA's authority, States must use 14 percent of the funds made available in the 2024 DWSRF capitalization grant to provide additional subsidization to eligible disadvantaged recipients. Therefore, a minimum of 26 percent to a ceiling amount of 49 percent will be included with the 2024 loans closed to provide subsidization to any DWSRF eligible applicant based on the definition adopted the State's definition. DDW will comply with the programmatic conditions of the grant award to match the 2024 subsidization requirements.

The BIL mandates that 49% of funds provided through the DWSRF General Supplemental Funding and DWSRF Lead Service Line Replacement Funding must be provided as grants and forgivable loans to disadvantaged communities. The BIL also requires that not less than 25% of funds provided through the DWSRF Emerging Contaminants Funding be provided as grants and forgivable loans to disadvantaged communities or public water systems serving fewer than 25,000 people with the remaining 75% of funds provided as grants or forgivable loans to qualified applicants. The SDWA requires states to establish a definition of disadvantaged communities that can receive this additional subsidization.

The Board defines a disadvantaged community as a community located in an area: 1. that has a median adjusted gross income that is less than or equal to 80% of the State's median adjusted gross income (MAGI) or 2. where the estimated annual cost (including loan repayment costs) of drinking water service for the average residential user exceeds 1.75% of the median adjusted gross income. The MAGI is determined by the Utah State Tax Commission (USTC) from federal individual income tax returns excluding zero exemption returns. The current metrics used for defining disadvantaged communities do not capture differences in affordability within a community or service area. To better capture these differences, the disadvantaged community criteria as applied to Lead Service Line Replacement and Emerging Contaminant funding have been expanded to include zip codes or census tracts with a local MAGI that is less than 80% of the State's MAGI as well as that meet or exceed 80% percentile of the USEPA demographic index. Expanding the criteria in this way not only ensures that disadvantaged areas within a community or service area are not overlooked or disqualified from receiving needed assistance, but it also prioritizes funding for these communities. Communities meeting the criteria are eligible to receive grant funding or forgivable loans in accordance with BIL requirements. If, in the judgment of the Board, the USTC data is insufficient, the Board may accept other measurements of the water users' income (i.e. local income survey or questionnaire when there is a significant difference between the number of service connections for a system and the number of tax filing for a given zip code or city, or when the water system claims that the MAGI (incomes) of its users is lower than the MAGI (incomes) of the larger community covered by the USTC data).

The amount and type of financial assistance offered by the Board will be based on the criteria shown in UAC R309-705-6 (2). Disadvantaged communities may receive zero-percent loans, negative

interest rate loans, principal-forgiveness loans, or grants. Terms for each method of financial assistance shall be determined by a Board resolution.

The Board has not set any predetermined amount of DWSRF funds that may be used for principal forgiveness to disadvantaged communities. It is the Board's intention to authorize additional subsidization only to communities that meet the "disadvantaged criteria."

Costs Incurred After Application and Prior to Execution of the Loan Agreement

Eligible project costs incurred after application to the Board and prior to execution of the loan agreement are eligible for reimbursement. Reimbursement will only be made after the loan closing.

Municipal Bond Legal Fees

The Board may purchase bonds of the applicant only if the bonds are accompanied by a legal opinion of a recognized municipal bond counsel selected by the Board (UAC R309-705-8 (2)). The loan recipient is responsible for the legal costs. Legal costs may be paid from the loan proceeds.

Capacity Development Requirements

Eligible Systems - The SDWA allows DWSRF assistance to publicly and privately owned community water systems and nonprofit, non-community water systems other than systems owned by Federal agencies. Federal Regulations also set forth certain circumstances under which systems that will become community water systems upon completion of a project may be eligible for assistance. UAC R309-705 Financial Assistance: Federal Drinking Water Project Revolving Loan Program (effective July 1, 2011) establishes criteria for financial assistance to public drinking water systems in accordance with a federal grant 42 U.S.C. 300j et seq., Federal Safe Drinking Water Act. The SDWA requires that loan recipients must demonstrate the technical, managerial, and financial capacity (TMF) to comply with the SDWA and not be in significant noncompliance with any requirement of a national primary drinking water standard or variance. The State will assess TMF and compliance in accordance with UAC R309-800 Capacity Development Program after loan applications have been received. Those systems lacking in TMF or compliance may still be eligible for a loan if the loan will address the non-compliance or the system agrees to undertake feasible and appropriate changes in operations. In accordance with the AWIA changes, DDW will include in the state capacity development triennial report to the Governor a description of how the state will implement procedures to encourage the development of technical, managerial, and financial capacity, and an asset management plan program with provisions of technical assistance. DDW intends to encourage water systems to implement asset management plans that include best practices in any training or technical assistance into the division's capacity development methodologies.

Environmental Reviews and Categorical Exclusions

The State Environmental Review Process (SERP) is described in the Operating Agreement.

The Grantee, the State of Utah, may elect to partition an environmental review or Categorical Exclusion (Cat Ex) from environmental review. The State will follow the procedures listed below to evaluate if partitioning a project from environmental review is appropriate.

Authority

The authority for including these procedures in the Division's Intended Use Plan (IUP) and State Environmental Review Process (SERP) is contained in the SDWA Amendments of 1996 (Pub. L. 104-182) and the guidance provided by the EPA DWSRF Program Guidelines, document # 816-R-97-005 (February 1997). In particular, see Section IV. STATE/PROJECT LEVEL AUTHORITIES, Subsection B. Environmental Reviews.

1. Procedures for Making Determination Cat Ex:
2. If the Division has reason to believe that the project falls within one of the categories listed under paragraph "C" and thereby may qualify for a Cat Ex from environmental review, the State will make a preliminary survey of the proposed project site(s).
3. During this survey the State will evaluate whether or not the project meets the criteria for a Cat Ex from environmental review.
4. If the State determines the site qualifies for Cat Ex from environmental review, it will document the justification of this determination, including a listing of the dates of activities, which led to this determination, and a statement of relevant findings.
5. Even if the project qualifies for Cat Ex from environmental review according to the criteria listed under paragraph "C", the State may require an environmental review if the State determines that an environmental review is warranted or appropriate because of conditions found at the site or because the project is controversial.

Criteria for Categorical Exclusion from Environmental Review

In order for a project to qualify for an environmental determination of Cat Ex from environmental review, the general location of the project should have been previously disturbed. Site conditions which will be evaluated in making this determination include a) how urbanized the location is, b) whether wildlife has previously been displaced, and c) whether the wildlife habitat has been previously destroyed or replaced. The project site shall meet at least one of the following criteria:

1. A proposed water line will be placed in a roadway(s) and/or rights-of-ways where existing pipes, telephone wires, cables, or other facilities have previously been installed.
2. A proposed tank site will be located on a site with other previously constructed utility facilities on a previously disturbed site.
3. The proposed facilities will be located at a site with other existing community infrastructure; e.g. a booster station, pump house, water treatment plant, or similar facility within a previously disturbed area and which will not extend into sensitive areas in the ground or adjacent to the previously disturbed area.

Public Notice and Participation

The State will provide public notice when a Cat Ex is issued or rescinded. However, no formal public comment period need be provided prior to the Cat Ex becoming effective.

SRF Reporting

Reporting for any loans or projects closing for the SRF program is due quarterly, with a focus on SFY reporting completed annually by 30 September. This reporting is done on the Office of Water SRF (OWSRF) website: <https://owsrf.epa.gov/ords/owsrf>. In addition, for transparency to the public, large loans closed on non-revolving funds will be reported in the Federal Funding Accountability & Transparency Act Subaward Reporting System (FFATA/SRS aka FSRS).

B-3 Set-Asides

Introduction. Congress has established multiple set-asides under the DWSRF for each of the Base and BIL grants. States have the flexibility to take set-asides from the grants but must use them to either administer the capitalization grant or meet the statutory purpose of each grant. Consistent with DWSRF regulations, states have the flexibility to reserve the authority under the 2%, 4%, and 10% set-asides to take from future capitalization grants those set-aside funds they have not included in work plans. DDW will comply with all programmatic and administrative conditions required for the 2024 grant awards.

Set-aside funding is used to:

- ✓ Fund established programs
- ✓ Fund continuing growth
- ✓ Fund increasing operating costs
- ✓ Assist, to the extent set-aside funds are available, in funding the additional staff needed to implement new Federal rules regarding the regulation of drinking water contaminants

The state will not use set-aside funds for those projects or project-related costs that are eligible or explicitly ineligible for assistance from the DWSRF. But DDW may use set-aside funds for: 1) project planning on design costs for small systems, and 2) for costs associated with restructuring a system as part of a capacity development strategy.

Set-aside funds have been used on a first-in, first-out (FIFO) basis and will continue to be so. Usage is accounted for by set-aside. Unused funds are carried forward to the next fiscal year.

Final reports have been submitted to USEPA for DWSRF capitalization grants through 2020. The 2021 grant year has been fully spent, and the final reports are being prepared. DDW is currently spending 2022 (nearly complete) & 2023 grant-year funds. In anticipation of the 2024 grant year being delayed in being awarded, DDW respectfully requests authorization to receive pre-award ability to cover set-aside expenses from July 1, 2024 through October 31, 2024. The loan funds are also treated on the FIFO basis.

Intended use of set-aside funds

Set-aside requests and reserves are detailed in the following tables, with one table for each grant: Tables 8 & 9. Following the tables is a narrative of individual requests and intended uses. We are reserving all and requesting none of our Base set-asides for GY2024. For a summary, see Table B-1.

TABLE 8 - SET-ASIDE AND STATE MATCH REQUESTS

TABLE 8 - SRF Base				
SET-ASIDE AND STATE MATCH REQUESTS 2024				
Function	Prog. Elem.	Federal \$	State Match	TOTAL
Loan Fund & 20% State Match Requirement	23DA	4,194,900	932,200	5,127,100
4% Administrative Set-Aside max =	23DD	186,440	4%	
Less \$ to be added to reserve (see Table 9)		186,440		0
2% Small Sys.Tech. Asst. max =	23DE	93,220	2%	
Less \$ to be added to reserve (see Table 9)		93,220		0
10% State Program Set-Aside max =	23DF	466,100		
Less \$ to be added to reserve (see Table 9)		466,100		
PWS Supervision		371,100	7.96%	
Plus/(less) reserves from prior grants		0	0.00%	
Capacity Development Oversight		0	0.00%	
Source Water Protection		95,000	2.04%	
Operator Certification		0	0.0%	
TOTAL State Program Set-Aside		466,100	10.0%	0
15% Local Assistance Set-Aside max=	23DG	699,150		
Local Assistance and			0.0%	
Capacity Development Outreach		466,100	10.0%	
Source Water Assessment		0	0.0%	
Wellhead Protection		0	0.0%	
TOTAL Local Assistance Set-Aside		466,100	10.0%	466,100
TOTAL CAPITALIZATION GRANT =		4,661,000	932,200	5,593,200

**TABLE 8a - SRF Supplemental
SET-ASIDE AND STATE MATCH REQUESTS 2024**

Function	Prog. Elem.	Federal \$	State Match	TOTAL
Loan Fund & 10% State Match Requirement	23DA	16,859,650	4,597,000	21,456,650
4% Administrative Set-Aside max =	23DD	919,400	4%	
Less \$ to be added to reserve (see Table 9)		0		919,400
2% Small Sys.Tech. Asst. max =	23DE	459,700	2%	
Less \$ to be added to reserve (see Table 9)		0		459,700
10% State Program Set-Aside max =	23DF	2,298,500		
Less \$ to be added to reserve (see Table 9)		0		
PWS Supervision		1,838,800	8.00%	
Plus/(less) reserves from prior grants		0	0.00%	
Capacity Development Oversight		0	0.00%	
Source Water Protection		459,700	2.00%	
Operator Certification		0	0.0%	
TOTAL State Program Set-Aside		2,298,500	10.0%	2,298,500
15% Local Assistance Set-Aside max=	23DG	3,447,750		
Local Assistance and			0.0%	
Capacity Development Outreach		2,298,500	10.0%	
Source Water Assessment		0	0.0%	
Wellhead Protection		149,250	0.6%	
TOTAL Local Assistance Set-Aside		2,447,750	10.6%	2,447,750
TOTAL CAPITALIZATION GRANT =		22,985,000	4,597,000	27,582,000

**TABLE 8c - Emerging Contaminants
SET-ASIDE REQUESTS 2024**

Function	Prog. Elem.	Federal \$	State Match	TOTAL
Grants	23DA	6,417,600	0	6,417,600
4% Administrative Set-Aside max =	23DD	305,600	4%	
Less \$ to be added to reserve (see Table 9)		0		305,600
2% Small Sys.Tech. Asst. max =	23DE	152,800	2%	
Less \$ to be added to reserve (see Table 9)		0		152,800
10% State Program Set-Aside max =	23DF	764,000		
Less \$ to be added to reserve (see Table 9)		0		
PWS Supervision		305,600	4.00%	
Plus/(less) reserves from prior grants		0	0.00%	
Capacity Development Oversight		76,400	1.00%	
Source Water Protection		0	0.00%	
Operator Certification		0	0.0%	
TOTAL State Program Set-Aside		382,000	5.0%	382,000
15% Local Assistance Set-Aside max=	23DG	1,146,000		
Local Assistance and			0.0%	
Capacity Development Outreach		305,600	4.0%	
Source Water Assessment		0	0.0%	
Wellhead Protection		76,400	1.0%	
TOTAL Local Assistance Set-Aside		382,000	5.0%	382,000
TOTAL GRANT =		7,640,000	0	7,640,000

TABLE 9 - SET-ASIDE RESERVES

Table 9			
Set-Aside Base SRF Reserves with Grant Year 2024			
Reserves	Beg Reserve Balance	Grant Year 2024	End Balance
4% Administrative Fund	876,026	186,440	1,062,466
2% Small System Tech Assistance	443,903	93,220	537,123
10% State Program	1,045,688	466,100	1,511,788
TOTAL	2,365,617	745,760	3,111,377

Table 9a			
Set-Aside Supplemental SRF Reserves with Grant Year 2024			
Reserves	Beg Reserve Balance	Grant Year 2024	End Balance
4% Administrative Fund	1,002,880	-	1,002,880
2% Small System Tech Assistance	670,940	-	670,940
10% State Program	3,032,700	-	3,032,700
TOTAL	4,706,520	-	4,706,520

Table 9c			
Set-Aside EC Reserves with Grant Year 2024			
Reserves	Beg Reserve Balance	Grant Year 2024	End Balance
4% Administrative Fund	242,200	-	242,200
2% Small System Tech Assistance	263,600	-	263,600
10% State Program	1,218,000	-	1,218,000
TOTAL	1,723,800	-	1,723,800

Set-aside requests and intended uses

Administrative set-aside

The calculation for the four percent administrative set-aside funds, in accordance with the SRF and BIL Grants, consists of an amount equal to the sum of any state fees collected (i.e. Loan Origination Fees) plus the greatest one of three options: 1) \$400,000, 2) 1/5 of the current fund value if the fund has been audited from an outside agency (an outside agency does not audit DDW's funds) or 3) Four percent of all grants awarded to the fund under this section for the federal fiscal year.

DDW chooses option three above and requests \$919,400 and \$305,600 from the Supplemental SRF and Emerging Contaminants BIL SRF grants. The administrative set-aside has reserves of \$876,026 accumulated from previous grant years (1997-2023) which have been reserved for future use for the Base SRF program. We are also reserving the maximum set-asides from the Base grant this year. We have reserves of \$1,002,880, \$1,905,000, \$242,200 for the three BIL grants. See Table 9 for reserve balance details.

The administration set-aside will fund 12 to 13 full-time equivalent (FTE) positions to operate the program in SFY 2025. The budget estimate will fund salary, benefits, office space, equipment, travel, training, supplies, and an indirect allocation for SFY 2025.

Small Systems Technical Assistance

DDW is requesting \$459,700, and \$152,800 for the 2% set-asides. This set aside is usually contracted out to a third party. The vendor of this contract will be assisting public water systems serving 10,000 people or fewer (section 1452(g) (2)) to maintain viable water systems.

DDW created an energy cost-saving handbook in 2016 which provided water system operators and managers with multiple strategies to reduce their energy costs. Some water systems have identified energy efficiency improvement opportunities in both operations and infrastructure. RWAU is encouraging all drinking water systems to investigate energy efficiency options to identify cost savings where possible. The small and very small water systems are often unable to take full advantage of such initiatives due to lack of knowledge, lack of money, and/or lack of proper equipment.

RWAU is a critical partner assisting DDW in responding to water system inquiries and taking action to assist water systems to be technically, managerially, and financially sound.

Such assistance includes, but not limited to:

- a. On-site assistance to resolve or recommend specific solutions to managerial, technical or mechanical problems, sanitary survey deficiencies, or other compliance issues, within the requirements of the applicable rules.
- b. Training on state rules found under UAC R309-100 through 800.
- c. Emergency response to support division efforts to mitigate emergencies.
- d. Representation to local officials (such as mayors, county personnel, etc.) regarding drinking water issues and how local government can best support public drinking water systems.
- e. Representation to water systems on UT-WARN, including membership, emergency response credentials, emergency response, and disaster preparedness.
- f. County-based training and ordinance development dealing with non-public water systems in the early stages of development. This issue is related to ensuring that when and if a non-public system may grow to become "public", the system will be able to meet applicable drinking water rules, and will not become an economic burden on itself, the county, or require supplemental funding from the state to meet such requirements.

State Programs set-aside

The state programs set-aside total amount requests are \$2,298,500 and \$382,000. See Table 8 for a detailed breakout of this set aside for the BIL grants we are requesting. The sub-categories include PWS Supervision, Capacity Development, and Source Protection. In the past, DDW has requested a subcategory of funding for its Operator Certification Program. DDW has increased the Operator Certification and the Cross Connection fees and is working toward both programs being self-sufficient by fee revenue collected for each program. Budgeting, disbursements, and draws are also accounted for by sub-categories. DDW does intend to use these set-asides for the current year of SFY 2025. See Table 9 for reserve balances.

PWS Supervision (augmentation) set-aside

DDW is requesting \$1,838,800 and \$305,600 from the 2024 grant awards. The PWS Supervision set-aside is primarily used to support DDW's Engineering Section. Approximately 14 to 15 engineers will charge to this set-aside and four other employees for program support. Additionally, oversight of the PWS Supervision Program is funded from general funds, the Water Development Security Fund (state funds about \$2M), and \$1.45M from the PWSS grant. Combined totals will also be expended for division-related activities. The budget estimate will fund salary, benefits, office space, equipment, travel, training, supplies, and an indirect allocation for SFY 2025.

Engineering tasks include water system plans and specification reviews, operating permits, waivers, water treatment plant inspections, witnessing well grouting, and proactive recommendations to help water systems ensure the public receives safe drinking water. DDW's engineers also receive training to keep their skills diverse with new technologies in solving water system issues. Growth impacts in the state combined with the stricter EPA standard levels SDWA amendments and associated State and Federal regulations create a tremendous workload.

Capacity Development Program

DDW requests \$76,400 for this program from the EC grant; we also have carryover available from the 2022 base, supplemental, and EC grants to oversee the capacity development program. The State of Utah has statutory authority for a capacity development program (Section 19-4-104 of the Utah SDWA). The time of two FTEs, as needed, will oversee and maintain the program. The Division is current with all reports due to the Governor and USEPA. The Division will add the language to encourage the development of technical, managerial, financial and asset management plans to the Governor's Triennial Report as required in the Amendments in America's Water Infrastructure Act (AWIA) of 2018.

Source Protection Administration

The SDWA Amendments of 1996 require each state to maintain a source water assessment program for all public water systems. One and a half FTEs are dedicated to developing, implementing, and coordinating this program.

We request \$459,700 from the 2024 Supplemental grant for the source water program. The budget estimate will fund salary, benefits, office space, equipment, travel, training, supplies, and an indirect allocation for SFY 2025.

Local Assistance (15% set-aside)

We request \$466,100, \$2,447,750, and \$382,000 for this set-aside. The SFY 2025 budget was estimated at \$2.27M. Local assistance is divided into two sub-categories: local assistance/capacity development outreach and wellhead protection. The two sub-categories account for budgets, disbursements, and draws separately.

Capacity Development Out-reach/Local Assistance with Public Water Systems Sub-Category

We request \$466,100, \$2,298,500, and \$305,600 from the 2024 Base & BIL grants for capacity development, outreach, and local assistance. The amount budgeted for SFY 2025 is \$2.09M.

Some of the activities DDW employees will provide and charge to this set-aside include the following:

1. Math calculations to determine dosing, volumes, flows and horsepower, etc.
2. Minor repairs on pumps, as well as, knowledge of pump curves, monitory well levels, troubleshooting, hydraulics, motor maintenance and metering, etc.
3. Teach proper techniques for unidirectional flushing of fire hydrants, pipeline maintenance, pressure zones, valve maintenance (exercising and annual maintenance, instrumentation, tank inspections, and distribution system and treatment plants.
4. Proper disinfection techniques, and correct handling and use of various disinfection chemicals, properties of chemicals, emergency disinfection techniques, and monitoring of residuals.
5. Safety: proper use of equipment and how to follow proper procedures, MSDS.
6. Security: proper procedures to interact with law enforcement and mitigation.
7. Provide technical training on existing and new rules, proper sampling techniques, proper monitoring, and an understanding of sample results, reporting procedures.
8. Emergency Response: training on the Incident Command System (ICS) and how they would fit into that system. Train systems with the National Incident Management System (NIMS), response protocols, mitigation, setting up table-top exercises, maintaining a plan, flushing and disinfection.
9. Cross Connection Control assistance to help the water system properly assemble, avoid hazards, resolve physical deficiencies during a sanitary survey and follow State guidelines on managing a program.

DDW understands all charges by employees need to have direct interaction with the water systems with some form of training or technical assistance. Rural Water Association of Utah also has some tasks relating to direct interaction with the water systems and has been allocated \$65,000 in their contract for this specific purpose.

Wellhead Protection Sub-Category

DDW requests \$149,250, and \$76,400 in funding for this category from the 2024 grants. The budgeted \$179,800 for SFY 2025 will cover expenses for salary, benefits, office space, equipment, interactive map upgrades, and an indirect allocation. One or two employees will oversee the implementation and maintenance of GIS activities. Maintenance of the source protection zone geo-database is an ongoing project as new water sources are developed, and existing source protection zones are modified. One or two employees will prepare source water assessments for groundwater sources, review source protection plans for new sources, and review updated plans for existing

sources. This sub-category budget will continue to cover expenses to address a backlog of wellhead updates that need review.

Attachments

Attorney General Enabling Legislation Opinion Letter for FY2024 grants program
Organization Chart

Utah Administrative Code Rule R309-705

The Rule for Projects Receiving Assistance from the Federal DWSRF was revised in 2023 and can be found at the website: <https://adminrules.utah.gov/public/rule/R309-705/Current%20Rules>

Construction Loan Program information is available at the website below.

<https://deq.utah.gov/drinking-water/drinking-water-construction-assistance-programs>

DIVISION OF DRINKING WATER



STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL



SEAN D. REYES
ATTORNEY GENERAL

SPENCER E. AUSTIN
Chief Criminal Deputy

DANIEL BURTON
General Counsel

RIC CANTRELL
Chief of Staff

MELISSA A. HOLYOAK
Solicitor General

BRIAN L. TARBET
Chief Civil Deputy

OAG-005-24

February 8, 2024

Nathan Lunstad, Director
Utah Division of Drinking Water
195 North 1950 West
P.O. Box 144830
Salt Lake City, Utah 84114-4830

Re: **Adequacy of State Law Enabling Utah to be Eligible for Federal Safe Drinking Water Act, 42 U.S.C. 300j-12 *et seq.*, Capitalization Grants (Legal Files Open Matter #818.3192)**

Dear Mr. Lunstad:

This letter is in response to your request dated February 1, 2024, for an updated opinion concerning State authority to establish and operate a Drinking Water State Revolving Loan Fund (“DWSRF”) program as prescribed under the Federal Safe Drinking Water Act (Section 1452, “SDWA”), 42 U.S.C. §§ 300j-12 *et seq.*, (40 CFR Part 35, Subpart L). Congress created a Financial Assistance Program for water system capital improvements and technical assistance. The Environmental Protection Agency (“EPA”) makes grants to states to capitalize state revolving loan funds.¹ To be eligible to receive capitalization grants, a state must establish a drinking water treatment revolving loan fund. The America’s Water Infrastructure Act of 2018 (“AWIA” P.L. 115-270) revised the DWSRF provision of the SDWA.² The AWIA extended infrastructure loan terms; required the provision of additional subsidies to state defined disadvantaged communities; and, expanded source water protection eligibility under local assistance set asides.

The Utah Legislature has enacted Utah Code §§ 19-4-101 *et seq.*, which establish the Utah Division of Drinking Water (“DDW”) and the Utah Drinking Water Board (“Board”). Utah Code §§ 19-4-104 and 105 empower the Board with rulemaking authority to meet the requirements of the Federal SDWA. The Board has promulgated rules for making loans in Utah Admin. Code R309-705.

¹ Capitalization Grants for State Revolving Funds; CFDA 66.468 (Drinking Water).

² March 25, 2019, memo from Jennifer L. McLain to Water Division Managers.

Federal Safe Drinking Water Act Capitalization Grants

In 1983, the Utah Legislature amended the Water Development Security Fund to provide for the use of monies in the account to make loans for drinking water and wastewater projects. *See*, Laws of Utah 1985, Chapter 123. Therefore, pursuant to that amendment, two subaccounts exist within the Security Fund: (i) one for wastewater projects; and, (ii) one for drinking water projects. In 1997, Senate Bill 75 established a “State Revolving Fund for Drinking Water Projects Subaccount,” as a subaccount in the Drinking Water Security Account.

In 2001, the Legislature substituted the language an “enterprise fund” for a “restricted account within the General Fund” and substituted “security fund” for “security account” throughout the statute. In 2007, House Bill 99 (Water Loan Program Amendments) amended the loan and grant programs for water projects administered by the Utah Department of Environmental Quality. The Drinking Water Security Subaccount, Utah Code § 73-10c-5(3), now consists of four subaccounts: (i) the Drinking Water Loan Program Subaccount; (ii) the State Revolving Fund for Drinking Water Projects Subaccount; (iii) the Hardship Grant Program for Drinking Water Projects Subaccount; and, (iv) the Drinking Water Origination Fee Subaccount.

The Revolving Fund for Drinking Water Projects Subaccount consists of: (i) money appropriated to the subaccount by the Legislature; (ii) money received from the Utah Drinking Water Loan Program Subaccount and applied to meet match requirements for federal funds under the Federal SDWA; (iii) money received from the repayment of loans made by the Board from the State Revolving Fund for Drinking Water Projects Subaccount; (iv) money deposited in the subaccount under any other law; (v) money received under and subject to the restrictions of the Federal SDWA; and, (vi) all investment income derived from money in the State Revolving Fund for Drinking Water Projects Subaccount. The Drinking Water Origination Fee subaccount consists of an origination fee paid under § 73-10c-10. In 2010, § 73-10c-10 was amended to allow the Board to establish an origination fee for a federally funded loan. In 2011, House Bill 186 (Utah Code Technical Amendments) made certain technical (non-substantive) changes.

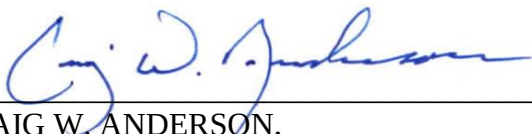
Pursuant to Utah Code §§ 19-4-104 and 105, the Board has promulgated rules for making loans incorporating the requirements of Utah Code §§ 73-10c-1 *et seq.*, in Utah Admin. Code R309-705, (Financial Assistance: Federal Drinking Water State Revolving Fund in accordance with a federal grant established under 42 U.S.C. §§ 300j-12 *et seq.*).

This Office certifies that the capitalization grant application and operating agreement submitted to the EPA for Drinking Water State Revolving Fund capitalization grants are consistent with State law and that the Board and the DDW are authorized to bind themselves to the terms of the capitalization grant agreement. As described above, the Board and the DDW are instrumentalities of the State of Utah and are authorized to: (i) enter into capitalization grant agreements with the EPA; (ii) accept capitalization grant awards made under Section 1452(a)(1)(A) of the Federal SDWA; and, (iii) otherwise manage the Fund in accordance with the requirements and objectives of the Federal SDWA. As the Director of the Environment/Health and

Federal Safe Drinking Water
Act Capitalization Grants

Human Services Division, I am authorized by the Attorney General to sign this certification. A copy of the letter delegating the authority for certification is enclosed.

Sincerely,
SEAN D. REYES
Utah Attorney General

By: 
CRAIG W. ANDERSON,
Assistant Attorney General/Director
Environment/Health and Human Services Division
Counsel to the Utah Drinking Water Board
and the Utah Division of Drinking Water

CWA/srb

Enclosure: 1) October 13, 2022, Delegation of Authority for
Certification of Utah Environmental Programs Letter

cc: Wayne Boyce, Utah Division of Drinking Water

STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL



SEAN D. REYES
ATTORNEY GENERAL

SPENCER E. AUSTIN
Chief Criminal Deputy

DANIEL BURTON
General Counsel

RIC CANTRELL
Chief of Staff

MELISSA A. HOLYOAK
Solicitor General

BRIAN L. TARBET
Chief Civil Deputy

OAG-031-22

October 13, 2022

KC Becker, Regional Administrator
United States Environmental Protection Agency
Region 8
1595 Wynkoop Street
Denver, Colorado 80202-1129

Re: Delegation of Authority for Certification of Utah Environmental Programs

Dear Administrator Becker:

Pursuant to my authority as Attorney General of the State of Utah, as described in the Utah Constitution, Article VII, Section 16 (Duties of Attorney General),¹ and Utah Code Title 67, Chapter 5 (Attorney General),² I hereby authorize the following persons to sign an Attorney General legal opinion, or certification, that the State of Utah has adequate legal authority to carry out all aspects of an environmental program for which the State is applying to the Environmental Protection Agency ("EPA") to administer within the State. Such an opinion or certification shall be signed by the Division Director of the Environment / Health and Human Services Division and the Assistant Attorney General in the Environment Section who is reviewing the program submittal to the EPA.

Currently, the Environment Section of this Office is comprised of the following attorneys:

- Craig W. Anderson Director, Environment / Health and Human Services Division
- Christian Stephens Section Director, Environment Section
- Elizabeth Burns Assistant Attorney General

¹ Article VII, Section 16: The Attorney General shall be the legal adviser of the State officers, except as otherwise provided by this Constitution, and shall perform such other duties as provided by law.

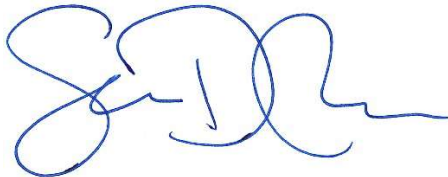
² Utah Code §67-5-1(7): The Attorney General shall give the Attorney General's opinion in writing and without fee, when required, upon any question of law relating to the office of the requestor. §67-5-3(2)(a): The Attorney General may assign a legal assistant to perform legal services for any agency of state government. §67-5-5: Except where specifically authorized by the Utah Constitution, or statutes, no agency shall hire legal counsel, and the Attorney General alone shall have the sole right to hire legal counsel for each such agency.

Delegation of Authority for Certification
of Utah Environmental Programs
Page 2

- Kimberlee McEwan Assistant Attorney General
- David McKnight Assistant Attorney General
- Connie Nakahara Assistant Attorney General
- Bret Randall Assistant Attorney General
- Haley Sousa Assistant Attorney General
- Marina Thomas Assistant Attorney General
- Raymond Wixom Assistant Attorney General

This authorization shall remain in effect unless and until it is revoked, in writing, by the Attorney General and shall apply to the State's implementation of the delegated Federal programs, State environmental programs, and any amendments, including, but not limited to, the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation, and Liability Act, and the Toxic Substances Control Act.

Sincerely,



Sean D. Reyes,
Attorney General

SDR/CWA/srb