

Drinking Water Board Packet

February 27, 2025

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
Shazelle Terry
Blake Tullis, Ph.D.
Phil Bondurant, Dr.PH, LEHS
Kimberly D. Shelley
Nathan Lunstad
Executive Secretary

DRINKING WATER BOARD MEETING

February 27, 2025 9:00 AM

Via Zoom Webinar & In Person:

Dixie Convention Center
1835 S Convention Center Dr,
St. George, UT 84790

AGENDA

1. Call to Order
2. Roll Call – Nathan Lunstad
3. Approval of Meeting Minutes
 - A. December 26, 2025 (Supplemental)
 - B. January 7, 2025
4. Disclosure for Conflict of Interest
5. Directors Report – Nathan Lunstad
 - A. New Employees; Stephanie Alpizar
 - B. Enforcement Report (Board Packet Item Only)
 - C. Other
6. Rural Water Association Report – Dale Pierson (This item will be provided separately at a later date.)
7. Financial Assistance Committee Report
 - A. Status Report – Wayne Boyce (This item will be provided separately at a later date.)
 - B. Cashflow – Wayne Boyce (This item will be provided separately at a later date.)
 - C. Project Priority List – Michael Grange
 - D. SRF Applications
 - i. Federal
 - a. Magna Water District - Andrea Thurlow
8. Public Comment Period

9. Open Board Discussion

10. Next Board Meeting

Date: June 10, 2025
Time: 1:00 PM
Place: Multi-Agency State Office Building
195 N 1950 W
Salt Lake City, UT 84116

11. Adjourn

Agenda Item

3(A)



State of Utah

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Executive Secretary

DRINKING WATER BOARD SUPPLEMENTAL MEETING December 26, 2024, 9:30 AM Via Zoom Webinar

MINUTES DRAFT

1. Call to Order

Kristi Bell, Chair, called the Drinking Water Board (Board, DWB) meeting to order at 9:30 AM.

2. Roll Call – Nathan Lunstad

Nathan Lunstad called the roll.

Present: Kristi Bell, Eric Franson, Corinna Harris, Justin Maughan, Kim Shelley, Shazelle Terry.

Absent: Jeff Coombs, Mayor Dawn Ramsey, Blake Tullis

No conflicts of interest were declared.

3. Disclosure for Conflict of Interest

4. DWSRF Project Discussion

A. Introduction

Michael Grange introduced the discussion, explaining that the Drinking Water Board received \$50 million from the State's American Rescue Plan Act (ARPA) appropriation, with \$46.5 million for rural system construction and \$3.5 million for the Lead-Free Schools initiative. Due to federal requirements for obligating ARPA funds by December 31, 2024 and approximately \$1.4 million in unobligated ARPA funds in the Lead-Free Schools initiative, the Governor's Office agreed to return the unobligated money to the rural system construction fund. Some of the available funds were allocated to construction projects previously authorized subsidy by the Board including Junction Town (\$120,000), Myton City (\$163,000), Hildale City (\$278,000), and Wales Town (\$3,094) for various projects. After these reallocations, there remained approximately \$827,500 to be reallocated to other projects. Staff recommended the Board consider the following two projects: Pine Valley Mountain Farms Water Co. and Antimony Town.

B. Federal Program

i. Pine Valley Mountain Farms Water Co. – Kjori Shelley

Kjori Shelley presented on the Pine Valley Mountain Farms Water Co. project. The Board previously authorized a \$630,015 construction loan with 100% principal forgiveness for this project. However, due to increased costs and the identification of additional lines needing replacement, the project cost has increased to \$1,587,544. Staff recommends a construction loan of \$1,517,559 with \$1,367,559 in subsidy, including \$687,550 from reallocated ARPA funds and \$680,009 in principal forgiveness. The repayable loan amount would be \$150,000 at 0% interest for 30 years.

Discussion: Corinna Harris inquired about the company's backup plan in case of line failures before construction completion. Eric Franson responded that the company would likely be able to repair or install sections as needed, given their access to equipment and materials.

Eric Franson moved to follow staff recommendations in allocating funds. Corinna Harris seconded the motion. The motion was carried unanimously by the Board.

C. State Program

i. Antimony Town – Michael Grange

Michael Grange presented on the Antimony Town project. The town is requesting financial assistance to complete a project to address arsenic contamination in a newly drilled well. The estimated cost is \$140,000.

Recommendation: Staff recommended the Board authorize a \$140,000 ARPA grant to Antimony Town to complete the project.

Motion: Justin Maughan moved to authorize a \$140,000 ARPA grant to Antimony Town. Shazelle Terry seconded the motion. The motion was carried unanimously by the Board.

5. Public Comment Period

No public comments were received.

6. Open Board Discussion

No open board discussion topics were raised.

7. Next Board Meeting

Date: January 7, 2025

Time: 1:00 PM

Place: Multi-Agency State Office Building 195 N 1950 W
SLC, UT 84116

8. Adjourn

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The meeting adjourned at 9:54 A.M.

Agenda Item

3(B)



State of Utah

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Blake Tullis, Ph.D.
Phillip Bondurant Ph.D.
Kimberly D. Shelley
Nathan Lunstad
Executive Secretary

DRINKING WATER BOARD MEETING

January 7, 2025, 1:00 PM

Via Zoom Webinar & In Person:
Multi-Agency State Office Building
195 North 1950 West
Salt Lake City, UT 84116

Nathan Lunstad Cell # 385-239-5974

DRAFT AGENDA

1. Call to Order

Eric Franson, Co-Chair, called the Drinking Water Board (Board, DWB) meeting to order at 1:00 PM.

2. Roll Call – Nathan Lunstad

Board Members present at Roll Call: Eric Franson, Justin Maughan, Blake Tullis, Shazelle Terry, Corinna Harris, Phil Bondurant

Division of Drinking Water (DDW, Division) Staff Present: Jessica Fitzgerald, Nathan Lunstad, Allyson Spevak, Wayne Boyce, Andrea Thurlow, Cadence Hernandez, Michelle Deras, Michael Newberry, Kcris Hunter, Russell Seeley, Brian Pattee, Dani Zebelean

3. Approval of Meeting Minutes

A. November 12, 2024

- Shazelle Terry moved to approve the Drinking Water Board meeting minutes with a change on the ending time on the meeting on November 12, 2024. Corinna Harris seconded. Phil Bondurant abstained from voting. The motion was carried unanimously by the Board.

4. Disclosure for Conflict of Interest

None

5. Directors Report – Nathan Lunstad

A. New Employees; Kcris Hunter; Chris Bowles

Introduction of Phil Bondurant, the new Board member representing a Local Health Department. Phil is the Executive Director for Summit County Local Health Department.

Chris Bowles is the Division's new Environmental Scientist Coordinator for the Division's Field Services Section. Chris worked for Riverton City as the DRC Operator, supervising the Water Quality Team and administering the Cross Connection Control Program.

Kcris Hunter is the new Environmental Program Coordinator for the Infrastructure Funding Section. She provides administrative support to the State Revolving Fund Program and coordinate loan and grant initiatives in collaboration with the Division of Drinking water staff, program managers and applicants. Kcris spent the last 14 years working at RWAU as a Training Specialist and Certification Trainer.

B. Enforcement Report (Board Packet Item Only)

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

C. Other

Nathan Lunstad, DDW Director, thanked the Board for attending the supplemental meeting on December 27, 2024. The Board was able to reallocate \$1.4 million in ARPA funding.

Nathan highlighted success in Lead Service Line Inventories, and Lead-Free Schools Program.

6. Five-Year Notice of Review and Statement of Continuation (Board Action Needed) – Nathan Lunstad

Division staff recommends that the Drinking Water Board authorize staff to file the required Five-Year Notice of Review and Statement of Continuation for each of the referenced Division of Drinking Water Rules with the Division of Administrative Rules.

Shazelle Terry moved to authorize staff to file the required Five-Year Notice of Review and Statement of Continuation for each of the referenced Division of Drinking Water Rules with the Division of Administrative Rules. Justin Maughan seconded. The motion was carried unanimously by the Board.

7. 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.

8. Financial Assistance Committee Report

A. Status Report – Wayne Boyce

B. Cashflow – Wayne Boyce

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

Wayne highlighted that all fund accounts have a healthy position and projected cash flow with current Federal SRF availability. ARPA transfers of funds will help cashflow for SRF. The Division received the FY24 Capitalization Grants for Base, Supplemental and SRF. There is a State Match of \$4.6 million for the Supplemental Grant. Those funds will be moving to out of State Funds. Federal funds are currently at -\$50 million, as we are double counting the Salt Lake City funding.

State SRF availability was at about -\$4.4 million, as of this meeting the Division will be at -\$3.4 million.

Cash Projections so that this meeting, excluding LSLR & EC will be \$30.48 million as GY22 Loan Funds are fully drawn or committed.

C. Project Priority List – Michael Grange

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

1. **Manderfield** scored 24.2 on the project priority list. Their project is for a new tank, distribution line, fire hydrants, meters and setters and to equip a well.
2. **Irontown** scored 20.1 points on the project priority list. Their project is for a new well and well house.

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. Dawn Ramsey seconded. The motion was carried unanimously by the Board.

D. SRF Applications

i. Federal

a. Iron Town - Cadence Hernandez

Representing Iron Town was Barbara Osborne and Cheryl Ponton.

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

The Financial Assistance Committee recommends that the Drinking Water Board authorize a loan of \$ 883,000 at 0% interest for 40 years, with \$265,000 in principal forgiveness to Irontown.

Barbara Osborne and Cheryl Ponton thanked the Board for their consideration and provided an additional detail of the needs and current situation in Iron Town.

Board Discussion:

Justin Maughan inquired about the IPS points, and whether they have a plan to address them. Barbara confirmed that there is a plan in place, to rectify Cross Connection policy and Uranium testing which a schedule has been put in place.

Justin Maughan inquired about the engineering cost estimates. Barbara had expected it to be less, but have been working with Ensign Engineering and confident in the current estimates.

- Shazelle moved that the Drinking Water Board authorize a loan of \$ 883,000 at 0% interest for 40 years, with \$265,000 in principal forgiveness to Irontown. Dawn Ramsey seconded. The motion was carried unanimously by the Board.

9. Public Comment Period

None.

10. Open Board Discussion

A. Packet & Reports Content Review

Eric Franson initiated a discussion about the board packet's format and content, suggesting it be revisited.

Justin Maughan stated that the loan application seems to contain the necessary information and asked Michael Grange to confirm staff's thorough review of applications. He expressed that this confirmation would alleviate his concerns.

Michael Grange affirmed the staff's meticulous review process, citing an example of a past application that was revised after staff identified a discrepancy. He emphasized the thoroughness of their reviews, including consulting with external sources. He then asked Justin Maughan if his question was addressed.

Justin Maughan questioned the appropriate level of scrutiny regarding project costs and whether the board should analyze the rationale behind a system's choice of a more expensive alternative.

Michael Grange confirmed that cost-effectiveness is a key consideration, explaining that staff analyzes project costs and explores alternatives with water systems.

Nathan Lunstad added that the SRF team, along with permitting staff and engineers, conducts a thorough project review, often identifying more cost-effective options.

Justin Maughan asked whether this cost-effectiveness analysis occurs before or after projects are presented to the board.

Nathan Lunstad clarified that the timing varies, with some aspects considered beforehand and others afterward. He also mentioned the staff's efforts to encourage water system consolidation.

Eric Franson described the plan review process, noting it typically occurs post-approval but can involve pre-board consultation. He discussed the challenges of mandating formal alternative evaluations.

Michael Grange explained that staff assesses projects based on overall need and regularly discusses cost and responsible use of taxpayer funds with water systems and their engineers. He cited an example of a privately owned system with 30 connections proposing a \$7 million project. He deemed the project not cost-effective and not a good use of taxpayer dollars, given limited grant availability. He suggested the system explore becoming a district and incorporating surrounding areas. The system followed this advice, formed a district, and is now pursuing funding from the Community Impact Board. Grange confirmed that while not a formal written policy, the process for these discussions is in place and project managers are trained to address these issues as needed.

Eric Franson confirmed that the application includes questions about engineering studies, master plan integration, and project justification.

Mayor Dawn Ramsey (who left the meeting at 2:00 PM) expressed comfort with the current information level due to confidence in staff but requested continued prioritization of value engineering.

Michael Grange added that staff emphasizes planning with the engineering and water communities. The state authorizes nearly a million dollars annually for water system planning, including master plans and engineering studies. They encourage systems to secure planning funds *before* submitting project proposals to the board. Grange explained that these studies help towns determine actual needs, rather than relying on anecdotal information (e.g., "we need a new tank"). He believes that working closely with engineering firms during these studies gives systems a better understanding of current and future needs. He noted that while planning studies typically cost \$50,000-\$60,000, some range from \$80,000-\$100,000, and he considers planning money well spent.

Corinna Harris inquired about the application process, specifically if it addresses pursuit of other funding options. Eric Franson confirmed it does. Harris then shared an anecdote about a city that secured a different grant and no longer needed a previously approved loan. Michael Grange clarified that the application includes a section for listing project costs and funding sources, including amounts requested from each agency. He explained that a challenge occurs when other agencies don't approve the requested amount or the desired loan/grant ratio, making it difficult for staff to provide accurate information to the board. Staff works to coordinate with other funding agencies (e.g., Community Impact Board, Water Resources) to anticipate potential authorizations. While they have established relationships with these agencies, this coordination presents ongoing challenges.

Eric Franson acknowledged that some entities "term shop" (seeking the most favorable funding terms from multiple sources). He believes staff works to mitigate this through open communication with other funding agencies, ensuring everyone is aware of funding requests and decisions. This collaborative approach aims to prevent entities from strategically applying to

multiple sources and accepting the most advantageous offer. He indicated they have tried to address this issue over time.

Nathan Lunstad encouraged **Justin**, given his loan application experience, and other board members (including **Eric**, **Shazelle**, and others) to offer feedback on improvements and streamlining.

Michael Grange echoed this, emphasizing the board's diverse expertise and expressing his belief that it's one of the best in the state. He stressed that staff welcomes questions and values the board's perspective, encouraging continued questioning and challenging of staff and water systems. He stated this sends a positive message to the water and consulting communities about preparedness. He advised applicants to anticipate questions and be ready to answer them.

Eric Franson observed a decrease in board questions over time. While acknowledging confidence in staff, he recalled more frequent inquiries, especially about cost estimates and alternatives. He suggested a key takeaway: don't hesitate to ask questions and don't assume presentations are "done deals." He emphasized that more information and discussion are always possible. He noted that recommended motions might imply finality, but stressed that while staff and the Financial Assistance Committee have done their work, dialogue with the system about project details and costs could be more in-depth.

Michael Grange emphasized the board's power to table a project if more information is needed. He explained that bi-monthly meetings allow for a two-month delay to gather information (unless it's a dire emergency, in which case a supplemental meeting would occur). He stressed informed decisions about taxpayer dollars and affirmed staff's awareness of this. While staff provides comprehensive information, he reiterated the board's ultimate authority.

Eric Franson added that the board's diverse backgrounds and expertise are valuable in questioning and information gathering, whether related to health, engineering, or other areas. He then returned to the original question about altering the meeting packet.

Eric Franson opened the discussion to thoughts on the meeting's information packet. Justin Maughan suggested including the engineer's estimate, as it provides cost details and a clearer picture of the project scope. Franson clarified that Maughan was requesting a more detailed breakdown of construction costs than the general project estimate currently provided. Michael Grange confirmed this information is received with the application. Franson agreed with Maughan, acknowledging that estimates are not perfect but provide valuable insights. Maughan explained the estimate helps him assess cost reasonableness (e.g., casing size) and identify areas for further questioning. He emphasized that it provides project understanding beyond just the total cost. Franson noted that this detail would be more valuable to some board members than others, likely leading to more informed questions about construction costs. He then asked if adding the engineer's estimate to the packet would be difficult. Grange indicated it would not, and the board agreed it would be helpful. Franson then asked if there were any other items for discussion.

The board approved the inclusion of the engineer's estimate in future board packets.

Nathan Lunstad asked about improvements to the board packet and reports, noting the move toward PowerPoint summaries. Shazelle Terry suggested more detailed financial summaries and a walkthrough of the packet contents, focusing on explaining the summary language. Justin Maughan seconded this, suggesting training or a Financial Assistance Committee meeting as venues for this discussion. He expressed difficulty understanding the financial reports, specifically the "red numbers."

Eric Franson noted this reinforces the need for training to review these reports. He acknowledged the difficulty in understanding negative balances, positive cash flows, and ongoing disbursements. He suggested the upcoming training (or another setting) would help newer board members understand the reports. He then encouraged board members to email staff with any further suggestions regarding financial or Rural Water reports, emphasizing the importance of continuous improvement.

Corinna Harris requested access to a sample application to better understand the information involved. Eric Franson clarified her request. Michael Grange suggested scheduling new board member training, as it wasn't done recently. He proposed using the training to review an application, discuss its sections, and explain how staff uses the information for evaluations. He felt this would address some existing questions. Franson concurred. He suggested annual refresher training for the board to review the process and staff evaluation methods, ensuring board confidence. Franson agreed, suggesting they proceed with the training.

The Board decided to schedule a new board member training session to review the application process, staff evaluations, and financial reporting, including a discussion of how to interpret the financial reports (particularly the "red numbers"). This training will also cover how staff uses the information in the applications.

B. Financial Assistance Committee

Eric Franson asked for volunteers to join the Financial Assistance Committee and suggested outlining the committee's responsibilities. Michael Grange explained the committee's role, meeting schedule (approximately three weeks prior to board meetings), typical meeting length (one to one and a half hours), and virtual format. He emphasized the manageable time commitment.

Shazelle Terry volunteered to join the Financial Assistance Committee.

11. Next Board Meeting

Date: February 27, 2025
Time: 9:00 AM
Place: Dixie Convention Center
1835 S Convention Center Dr
St George, UT 84790

12. Adjourn

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

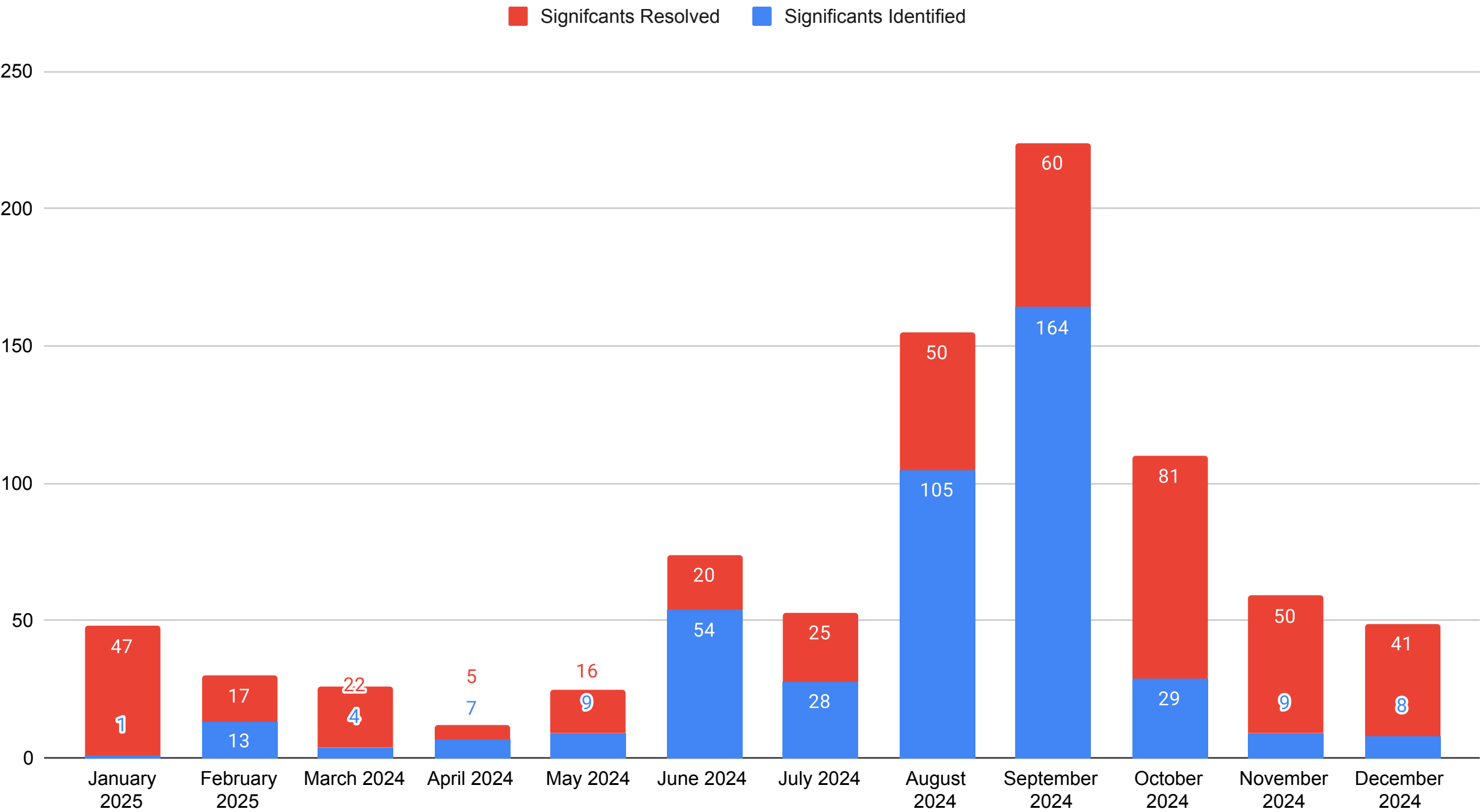
The meeting adjourned at 2:29 P.M.

Agenda Item 5(B)

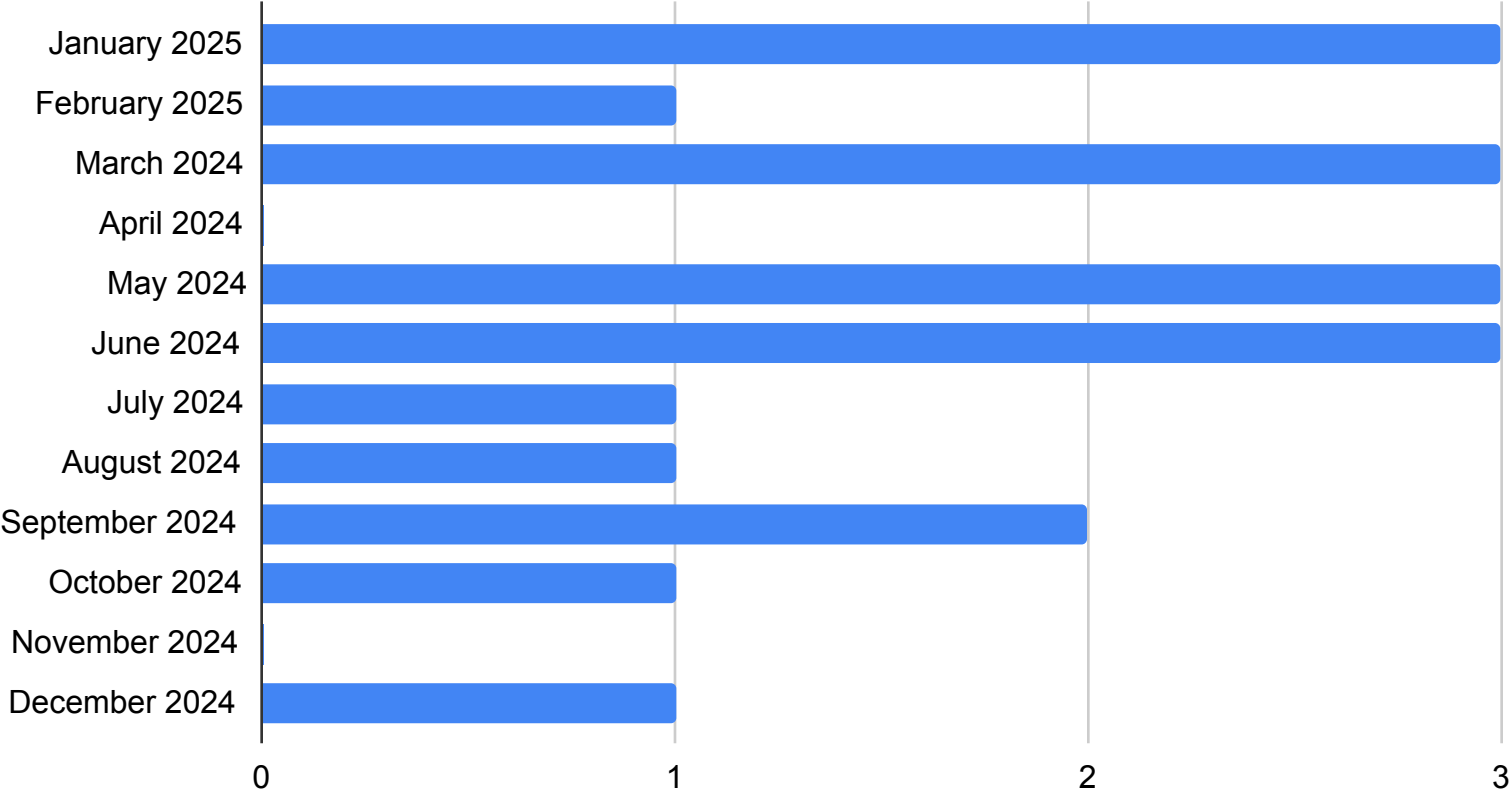
Board Report As of February 14, 2025

PWS ID	PWS Name	PWS Type	Pop Served	IPS Pts	Rating	Rating Date
Corrective Action Systems						
UTAH22114	BULL MOOSE WATERWORKS	Transient Non-Community	136	380	Corrective Action	1/2/2024
UTAH29092	COLE CANYON WATER COMPANY	Community	39	45	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	105	Corrective Action	10/8/2024
UTAH29053	GREEN HILLS COUNTRY ESTATES	Community	237	315	Corrective Action	1/2/2024
UTAH18147	HI-COUNTRY ESTATES #1	Community	373	0	Corrective Action	3/19/2024
UTAH14004	HINCKLEY TOWN WATER SYSTEM	Community	630	175	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
UTAH22080	PINES RANCH	Transient Non-Community	100	285	Corrective Action	4/11/2024
UTAH27089	BIG PLAINS WATER SSD - CEDAR POINT	Community	232	650	Corrective Action	10/17/2023
UTAH07067	SOUTH DUCHESNE CULINARY WATER	Community	286	125	Corrective Action	5/25/2022
UTAH17001	BRIDGERLAND WATER CO	Community	240	100	Corrective Action	2/22/2023
Not Approved Systems						
UTAH03002	AMALGA TOWN WATER SYSTEM	Community	495	150	Not Approved	1/19/2024
UTAH07029	DEFA'S DUDE RANCH	Transient Non-Community	200	425	Not Approved	11/22/2024
UTAH09024	ASPEN COVE RESORT	Transient Non-Community	68	525	Not Approved	7/12/2024
UTAH09098	ESCALANTE RESORT LLC	Transient Non-Community	107	35	Not Approved	5/6/2024
UTAH11099	FOOTHILL WATER USERS ASSOCIATION	Community	28	470	Not Approved	3/27/2023
UTAH25184	BATEMANS MOSIDA FARMS	Community	90	1025	Not Approved	10/30/2023
UTAH12041	LAKESIDE	Transient Non-Community	60	50	Not Approved	9/23/2024
UTAH15015	MOUNTAIN GREEN WATER ASSOCIATION	Community	47	45	Not Approved	10/23/2023
UTAH25077	RIVERBEND GROVE INC	Transient Non-Community	25	665	Not Approved	2/10/2021

Significants Identified and Signifcants Resolved



New Systems Activated



Agenda Item 7(C)

**DRINKING WATER BOARD
BOARD PACKET FOR PROJECT PRIORITY LIST**

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

Magna scored 20.7 on the project priority list.

This project is for replacing lead or galvanized steel water service lines requiring replacement.

Helper City scored 12.1 points on the project priority list.

This project is for replacing lead or galvanized steel water service lines requiring replacement.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board approve the updated Project Priority List.

Utah Federal SRF Program

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Total Unmet Needs:										\$978,129,103			Total Needs, incl. Recent funding				\$888,479,741			Authorized			\$574,527,561			Project Segments			Partial Eligible Question			Avg. of App. Proj. Begs.			Avg. Monthly Water Bill			Median A/GI			fire-eligible			growth-eligible			second home-eligible			other-eligible			Principal Forgiveness																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
System Name										County		Pop.		Project Title				Project Total		SRF Assistance		BIL funds authorized		Funds Authorized		Source		Treat.		Stor.		Dist.		Avg. of App. Proj. Begs.			Avg. Monthly Water Bill			Median A/GI			fire-eligible			growth-eligible			second home-eligible			other-eligible			Principal Forgiveness																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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Agenda Item

7(D)(i)(a)

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

APPLICANT'S REQUEST:

Magna Water District is requesting financing to replace lead or galvanized steel water service lines requiring replacement (GRR). There are currently 69 known GRRs with more expected to be found. 90% of these lines exist in disadvantaged areas. The work includes planning, design, public outreach and replacements to meet safety standards, including replacing the total service line from the District's water main to the customer's structures.

This project scored 20.7 points on the Project Priority List.

The total project cost is \$4,000,000. Magna Water District is requesting the full \$4,000,000 from the Drinking Water Board.

STAFF COMMENTS:

The local MAGI for the Magna Water District is \$47,000, which is 84% of the State MAGI. The current average water bill is \$79.44/ERC, which is 2.03% of the local MAGI. The estimated after project water bill at full loan would be \$83.00/ERC or 2.12% of the local MAGI. Based on the after project water bill and the disadvantaged area most of the GRRs are located in, Magna Water District qualifies to be considered for additional subsidy.

Option	Loan / Grant	Principal Forgiveness	Loan	Term	Interest Rate (HGA)	Water Bill	% Local MAGI
1	20% /80%	\$3,200,000	\$800,000	20 yrs	2.00%	\$83.00	2.12%
2	10% / 90%	\$3,600,000	\$400,000	20 yrs	2.00%	\$82.77	2.11%

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board authorize a construction loan of \$4,000,000 with \$3,200,000 in principal forgiveness to Magna Water District, for a repayable loan amount of \$800,000 at 2.00% for 20 years.

APPLICANT'S LOCATION:

Magna Water District is located in Salt Lake County approximately 15 miles west from Salt Lake City.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

Magna Water District needs to replace lead or galvanized steel water service lines requiring replacement (GRRs). There are currently 69 known GRRs with more expected to be found. 90% of these lines exist in disadvantaged areas. The work includes planning, design, public outreach and replacements to meet safety standards, including replacing the total service line from the district's water main to the customer's structures.

Replacement of both the utility-side and the private-side of the service line including the connector will occur if lead. This is regardless of the private-side existing material. Replacement of just the private-side of the service line will happen if the utility-side has already been replaced with non-lead or non-galvanized material, including the connector.

Magna Water will only replace the utility-side of the line without private-side replacement (regardless of the private-side material) if the resident refuses to authorize site access for the replacement after 4 notifications with two different communication methods or there is an emergency replacement required. In either case, notification, health information, flushing instructions, and a pitcher filter will be provided to the resident. Follow-up sampling will also be offered. In the case of an emergency replacement, efforts will be made as quickly as practical to gain access authorization and replace the private-side line.

POPULATION GROWTH:

Magna Water District provided their own estimates of population growth using WFRC Demographics Web Viewer to generate estimated population totals.

Year	Population	Connections
Current	33,424	9,157
2030	37,594	9,448
2040	43,459	9,892

COST ESTIMATE:

Legal/Bonding/Admin	\$300,000
Engineering - Design	\$600,000
Engineering - CMS	\$100,000
Construction -	\$3,000,000
Total	\$4,000,000

COST ALLOCATION:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan (2.00%, 20-yr)	\$800,000	20%
DWB Grant	\$3,200,000	80%
Total	\$4,000,000	100%

IMPLEMENTATION SCHEDULE:

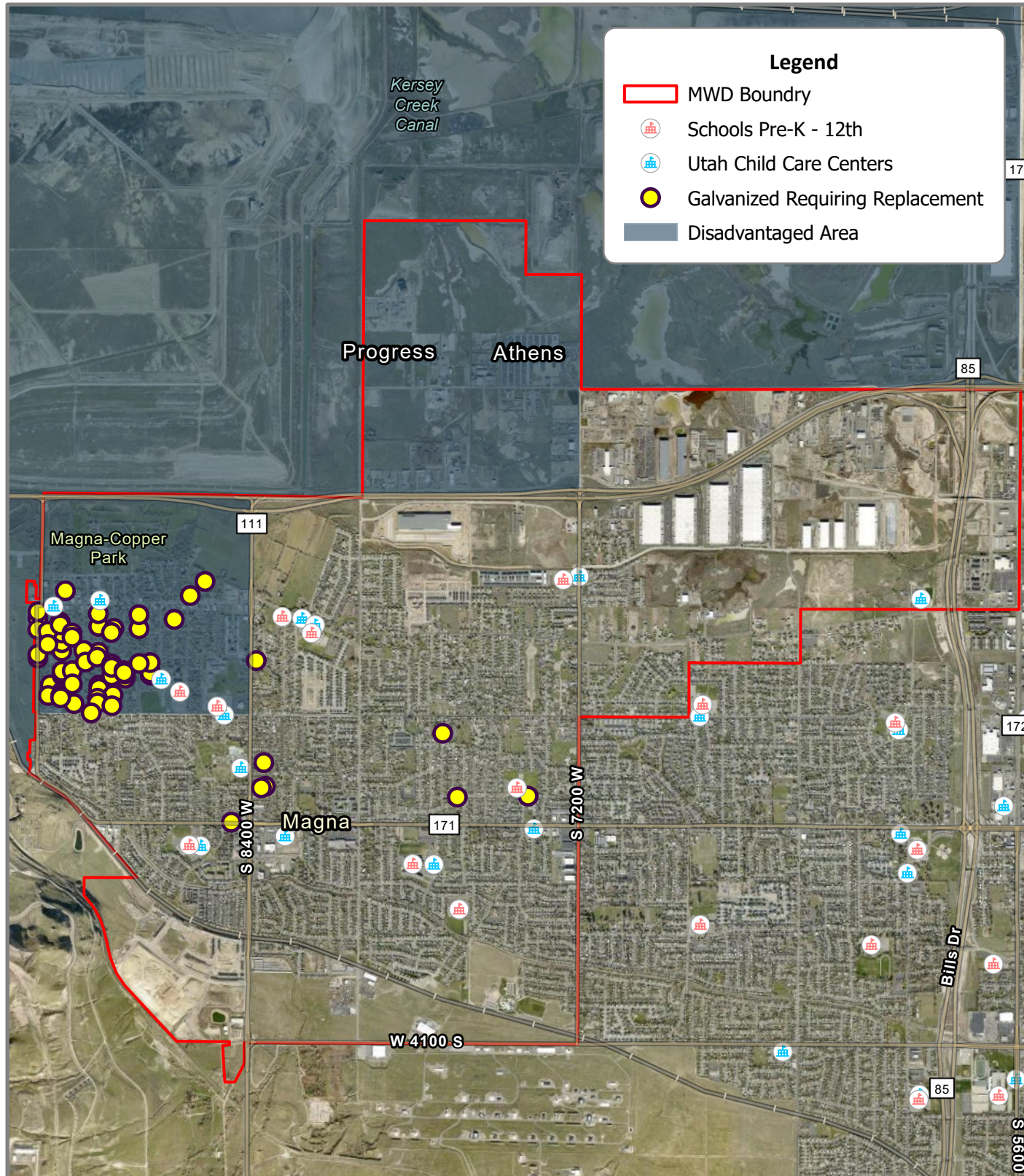
DWB Funding Authorization:	February 2025
Complete Design	April 2025
DDW Plan Approval:	June 2025
Advertise for Bids:	June 2025
Bid Opening:	June 2025
Loan Closing:	July 2025
Begin Construction:	July 2025
Complete Construction:	December 2035

IPS SUMMARY:

Code	Description	Physical Facilities	Quality & Monitoring	Significant Deficiency Violations
S091	SYSTEM LACKS UP TO 20% OF REQUIRED SOURCE CAPACITY	15		
V004	STORAGE TANK LADDERS IN EXCESS OF 20 FEET LACK SAFETY FEATURE SUCH AS CAGE, HARNESS OR PLATFORM	15		
	Total =	30	0	0

CONTACT INFORMATION:

APPLICANT:	Magna Water District 8885 West 3500 South Magna, UT 84044 801-250-2118 clintd@magnawater.com
PRESIDING OFFICIAL & CONTACT PERSON:	Cline Dilley General Manager 8885 West 3500 South Magna, UT 84044 801-250-2118 clintd@magnawaterut.gov
TREASURER/RECORDER:	Leslie Fitzgerald 801-250-2118 leisle@magnatwaterut.com
CONSULTING ENGINEER:	Marie Owens AE2S 3400 Ashton Blvd Suite 105 Lehi, UT 84043 801-331-8489 Marie.owens@ae2s.com
BOND ATTORNEY:	To Be Determined



Information depicted may include data unverified by AE2S. Any reliance upon such data is at the user's own risk. AE2S does not warrant this map or its features are either spatially or temporally accurate.
 Coordinate System: NAD 1983 StatePlane Utah Central FIPS 4302 Feet Intl | Edited by: CForthun | W:\M\Magna Water District\13291-2022-002\GIS\Magna Water District LCRR Support - Mapping and Analysis Dan.aprx | Portrait 8.5x11



Locator Map Not to Scale

MWD - GALVANIZED REQUIRING REPLACEMENT

MAGNA WATER DISTRICT
 Magna | Salt Lake County, UT



Date: 12/30/2024

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Magna Water District FUNDING SOURCE: Federal SRF
 COUNTY: Salt Lake County
 PROJECT DESCRIPTION: Project to replace lead or galvanized service lines. 69 GRRs known, more likely.

20 % Loan & 80 % P.F.

ESTIMATED POPULATION:	33,424	NO. OF CONNECTIONS:	9899 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$79.44 *			PROJECT TOTAL:	\$4,000,000
CURRENT % OF AGI:	2.03%	FINANCIAL PTS:	57	LOAN AMOUNT:	\$800,000
ESTIMATED MEDIAN AGI:	\$47,000			PRINC. FORGIVE.:	\$3,200,000
STATE AGI:	\$56,000			TOTAL REQUEST:	\$4,000,000
SYSTEM % OF STATE AGI:	84%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 4.45%	@ CALCULATED INTEREST RATE 2.00%
<u>SYSTEM</u>			
ASSUMED LENGTH OF DEBT, YRS:	20	20	20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.45%	2.00%
REQUIRED DEBT SERVICE:	\$40,000.00	\$61,234.75	\$48,925.37
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00	\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$4,000.00	\$6,123.47	\$4,892.54
ANNUAL NEW DEBT PER CONNECTION:	\$4.44	\$6.80	\$5.44
 O & M + FUNDED DEPRECIATION:	 \$7,622,402.00	 \$7,622,402.00	 \$7,622,402.00
OTHER DEBT + COVERAGE:	\$1,525,338.75	\$1,525,338.75	\$1,525,338.75
REPLACEMENT RESERVE ACCOUNT:	\$444,133.65	\$445,195.39	\$444,579.92
ANNUAL EXPENSES PER CONNECTION:	\$968.97	\$969.08	\$969.02
 TOTAL SYSTEM EXPENSES	 \$9,635,874.40	 \$9,660,294.36	 \$9,646,138.58
TAX REVENUE:	\$3,575,677.00	\$3,575,677.00	\$3,575,677.00
 <u>RESIDENCE</u>			
MONTHLY NEEDED WATER BILL:	\$82.92	\$83.12	\$83.00
 % OF ADJUSTED GROSS INCOME:	 2.12%	 2.12%	 2.12%

\$0.00