

# Drinking Water Board Packet

March 1, 2018

# Agenda



## State of Utah

GARY R. HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

## Department of Environmental Quality

Alan Matheson  
*Executive Director*

DIVISION OF DRINKING WATER  
Marie E. Owens, P.E.  
*Director*

**Drinking Water Board**  
Betty Naylor, *Chair*  
Roger G. Fridal, *Vice-Chair*  
Brett Chynoweth  
Jeff Coombs  
Tage Flint  
Eric Franson, P.E.  
Brad Johnson  
David Stevens, Ph.D.  
Mark Whitney  
Marie E. Owens, P.E.  
*Executive Secretary*

### DRINKING WATER BOARD MEETING March 1, 2018 – 2:00 pm Dixie Convention Center – Garden Room 1835 Convention Center Drive St. George, Utah 84790

Marie Owens' Cell Phone #: (801) 505-1973

1. Call to Order
2. Roll Call
3. Approval of the Minutes:
  - A. January 12, 2018
4. Financial Assistance Committee Report
  - A. Status Report – Michael Grange
  - B. Project Priority List – Michael Grange
  - C. SRF Applications
    - i. STATE:
      - a) Grantsville – Michael Grange
    - ii. FEDERAL:
      - a) Johnson Water – Michael Grange
      - b) Swiss Alpine Water – Michael Grange
    - iii. Other:
      - a) Ephraim City Emergency Request – Michael Grange
      - b) Intended Use Plan (IUP) – Michael Grange
5. Capacity Development Specialist Contract Award Authorization – Michael Grange/Gary Kobzeff
6. Anticipated Rule Change Notification – Marie Owens
  - A. IPS
  - B. RTCR
  - C. Water Use Data Requirements / Source and Storage Sizing Standards
7. Rural Water Association Report – Dale Pierson
8. Directors Report

9. Other

10. Next Board Meeting:

Date: Friday, May 11, 2018  
Time: 1:00 pm  
Place: Multi-Agency State Office Building  
Room 1015  
195 North 1950 West  
Salt Lake City, Utah 84116

11. Adjourn

*In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Larene Wyss, Office of Human Resources, at: (801) 297-3828, TDD (801) 903-3978, at least five working days prior to the scheduled meeting.*

# Agenda Item

3(A)



## State of Utah

GARY R. HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

## Department of Environmental Quality

Alan Matheson  
*Executive Director*

DIVISION OF DRINKING WATER  
Marie E. Owens, P.E.  
*Director*

**Drinking Water Board**  
Betty Naylor, *Chair*  
Roger G. Fridal, *Vice-Chair*  
Brett Chynoweth  
Jeff Coombs  
Tage Flint  
Eric Franson, P.E.  
Brad Johnson  
David Stevens, Ph.D.  
Mark Whitney  
Marie E. Owens, P.E.  
*Executive Secretary*

### DRINKING WATER BOARD MEETING January 12, 2018 – 1:00 pm Multi Agency State Office Building – Board Room 1015 195 North 1950 West Salt Lake City, Utah 84116

#### DRAFT MINUTES

#### 1. Call to Order

Betty Naylor, Board Chairman called the meeting to order at 1:00 p.m.

#### 2. Roll Call

Board Members present: Eric Franson, Betty Naylor, Brett Chynoweth (telephonically), Tage Flint, Roger Fridal, Mark Whitney, and Jeff Coombs.

Brad Johnson joined the meeting at 1:03 pm; being present for Items 4 on.  
Tage Flint excused himself at 1:55 p.m., during Item 6 and returned at 2:10 p.m. during Item 7.

Board Members excused: David Stevens

Division Staff present: Marie Owens, Michael Grange, Ying-Ying Macauley, Michelle Deras, Ryan Dearing, Lisa Nelson, Rich Peterson, Marianne Booth, and Heather Bobb.

#### 3. Approval of the Minutes:

##### A. November 3, 2017

- Jeff Coombs moved to approve the minutes. Mark Whitney seconded. The motion was carried unanimously by the Board.

#### **4. Financial Assistance Committee Report**

##### **A. Status Report – Michael Grange**

Michael Grange, Construction Assistance Section Manager with the Division of Drinking Water (DDW, the Division) reported that currently there is approximately \$12.5 million in the State SRF fund and over the course of the next year the Division is expecting \$4.8 million to come into the fund for a total of approximately \$17.5 million for project allocation.

Michael then reported that currently there is approximately \$26.2 million in the Federal SRF fund and over the course of the next year the Division is expecting \$17 million to come into the fund for a total of approximately \$43.2 million for project allocation. Michael also noted that the remaining hardship grant funds are just over \$1 million.

In response to questions from the Board it was noted that the total for the Federal SRF fund does not include today's items, and that the Forest Glen Platte A HOA project, although showing a closed date of December 2014, was intended and has been a multiyear project due to their short construction season.

##### **B. SRF Applications**

###### **i. FEDERAL:**

###### **a) Winchester Hills – Rich Peterson**

Rich Peterson, Environmental Engineer with the Division, reminded the Board that Winchester Hills was authorized \$427,000 in September, 2016, were authorized an increase in January 2017, and have been under construction since February 2017. He then informed the Board that Winchester Hills is now requesting and additional \$450,000 in financial assistance due to multiple cave ins and additional costs. The local MAGI for Winchester Hills is \$31,114, which is 74% of the State MAGI. The estimated water bill after funding would be \$66.84, which is 2.58% of the local MAGI; therefore they do qualify for additional subsidization. Division Staff recommends the Board authorize an increase of \$450,000, resulting in a \$1,037,000 loan with an interest rate of 0% for 30 years with \$518,000 in principal forgiveness to Winchester Hills.

- Tage Flint moved to authorize an increase of \$450,000, resulting in a \$1,037,000 loan with an interest rate of 0% for 30 years with \$518,000 in principal forgiveness to Winchester Hills. Betty Naylor seconded. The motion was carried unanimously by the Board.

#### **5. AWWA Water Audit Contract – Alane Boyd**

Alane Boyd, P.E, Executive Director of the American Water Works Association Intermountain Section, thanked the Board for inviting her to speak on the Water Audit Program and reported that it is a tool to assist water systems in assessing water use and water loss, as well as improve their ability to report that data accurately.

Marie Owens, Division Director, explained the Division has partnered with the Divisions of Water Rights and Water Resources, and the State Engineer's Office, to fund this pilot Water Audit project out of the Federal Technical Assistance Grant Set Aside. She also noted that the Division's interest in assisting with funding for the pilot is to be able to compile enough information to show that there is a financial benefit, which would justify the water systems costs of future audits.

## **6. Rural Water Association Report**

Terry Smith, Management Specialist with RWAU, updated the Board on the upcoming RWAU Annual Conference and some of the work he has been doing, including:

- Source Protection Plan updates with multiple systems.
- Operator training in Kanab.
- Rate study with Goshen.

Brian Pattee, Compliance Circuit Rider with RWAU, updated the Board on some of the work he has been doing, including:

- Assisting water systems with their cross connection control issues.
- Source Protection Plan updates with multiple systems.
- Compliance and Sampling assistance.

Curt Ludvigson, Development Specialist with RWAU, updated the Board on his work with the counties to develop and implement non-community drinking water system ordinances that are in line with Division rules and requirements. Curt also reported that some of the counties in the State have already adopted this rule.

Marie Owens also noted that the Development Specialist contract expires in February, and that she and Michael Grange are currently working on a request for proposal and have asked Eric Franson to sit on the selection committee. A summary of the contract was included in the July 14, 2017 Board packet.

## **7. Directors Report**

Marie Owens took a moment to introduce Ying-Ying Macauley, Assistant Director, and Michelle Deras and Ryan Dearing, new Division staff members to the Board.

Marie then gave a presentation, with accompanying handout, regarding Division personnel changes, reorganization of the Division structure, the Legislative audit on DDW sizing standards and the Division's response, and updates on the upcoming Legislative session, including HB135 regarding Extraterritorial Jurisdiction sponsored by Representative Noel.

## **8. Other**

Betty Naylor reminded the Board of the upcoming RWAU Annual Conference February 26 to March 2, 2018 and the DW Board meeting that will be held in conjunction with that on March 1, 2018 in St. George, Utah.

Marie Owens and Michael Grange reminded them to be mindful of the State travel policies and to work with the Division Administrative Secretary to make arrangements as needed.



**9. Next Board Meeting:**

Date: Thursday, March 1, 2018  
Time: 2:00 pm  
Place: The Dixie Convention Center  
Garden Room  
1835 Convention Center Drive  
St. George, Utah 84790

**10. Adjourn**

- Roger Fridal moved to adjourn the meeting. The motion was carried unanimously by the Board.

**The meeting adjourned at 2:35 p.m.**

# Agenda Item

4(A)

DIVISION OF DRINKING WATER  
**STATE LOAN FUNDS**  
AS OF January 31, 2018

SUMMARY		
	Total State Fund:	\$15,113,784
	Total State Hardship Fund:	\$978,006
	Subtotal:	\$16,091,790
<b>LESS AUTHORIZED</b>	Less:	
	Authorized Loans & Closed loans in construction:	\$88,000
	Authorized Hardship:	\$333,000
	Subtotal:	\$421,000
	<b>Total available after Authorized deducted</b>	<b>\$15,670,790</b>
<b>PROPOSED</b>	Proposed Loan Project(s):	\$5,153,636
	Proposed Hardship Project(s):	\$210,000
	Subtotal:	\$5,363,636
<b>AS OF:</b>		
January 31, 2018	<b>TOTAL REMAINING STATE LOAN FUNDS:</b>	<b>\$9,872,148</b>
	<b>TOTAL REMAINING STATE HARDSHIP FUNDS:</b>	<b>\$435,006</b>

*(see Page 2 for details)*

*(see Page 2 for details)*

**Total Balance of ALL Funds: \$10,307,154**

Projected Receipts Next Twelve Months: and Sales Tax Revenue	
<b>Annual Maximum Sales Tax Projection</b>	<b>\$3,587,500</b>
Less State Match for 2018 Federal Grant	(\$1,720,000)
Less State Match for 2019 Federal Grant	\$0
Less Appropriation to DDW	(\$816,100)
Less Board Administration Fees	(\$159,100)
<b>SUBTOTAL Sales Tax Revenue including adjustments:</b>	<b>\$892,300</b>
Payment:	
Interest on Investments (Both Loan and Hardship Accounts)	\$216,000
Principal payments	\$2,851,754
Interest payments	\$758,216
Total Projections:	\$4,718,270
<b>Total Estimated State SRF Funds Available through 1-31-2019</b>	<b>\$15,025,424</b>

**DIVISION OF DRINKING WATER  
STATE LOAN FUNDS  
PROJECTS AUTHORIZED BUT NOT YET CLOSED  
AS OF January 31, 2018**

Community	Loan #	Cost Estimate	Date Authorized	Date Closed/Anticipated	Authorized Funding		
					Loan	Grant	Total
Big Plains (Cedar Point) 0%, 20yrs	3S240	176,000	Jul-16		88,000	88,000	176,000
Subtotal Loans and Grants Authorized					88,000	88,000	176,000
<b>PLANNING LOANS / GRANTS IN PROCESS</b>							
Antimony PI Grant	3S250	40,000	Jan-18			40,000	40,000
					0	40,000	40,000
<b>CLOSED LOANS (partially disbursed)</b>							
Daggett Co - Dutch John 0% int 30 yrs	3S216	1,020,000	Jan-15	Feb-16	0	100,000	100,000
Henrieville	3S241	345,000	Aug-16	Nov-16		105,000	105,000
							0
							0
Subtotal Planning Loans/Grants Auth					0	205,000	205,000
<b>Total authorized or closed but not yet funded</b>					<b>\$88,000</b>	<b>\$333,000</b>	<b>\$421,000</b>
<b>PROPOSED PROJECTS for MARCH 2018</b>							
Laketown	3S248	1,863,636			1,653,636	210,000	1,863,636
Grantsville	3S249	3,500,000			3,500,000		3,500,000
							0
							0
<b>Total Proposed Projects</b>					<b>5,153,636</b>	<b>210,000</b>	<b>5,363,636</b>

**DIVISION OF DRINKING WATER  
STATE LOAN FUNDS  
AS OF January 31, 2018**

	5235	5240	
	Loan	Interest	
	Funds	(use for Grants)	Total
Cash:	\$15,113,784	\$978,006	\$16,091,790
Less:			
Loans & Grants authorized but not yet closed (schedule attached)	(88,000)	(128,000)	(216,000)
Loans & Grants closed but not fully disbursed (schedule attached)	0	(205,000)	(205,000)
Proposed loans & grants	(5,153,636)	(210,000)	(5,363,636)
Administrative quarterly charge for entire year	(159,100)		(159,100)
Appropriation to DDW	(816,100)		(816,100)
FY 2018 Federal SRF 20% match	(1,720,000)		(1,720,000)
FY 2019 Federal SRF 20% match	0		0
	<b>7,176,948</b>	<b>435,006</b>	<b>7,611,954</b>
Projected repayments during the next twelve months			
Thru 01-31-2019			
Principal	2,851,754		2,851,754
Interest		758,216	758,216
Projected annual investment earnings on invested cash balance		216,000	216,000
Sales Tax allocation thru Jan-31-2019	3,587,500		3,587,500
<b>Total</b>	<b>\$13,616,202</b>	<b>\$1,409,222</b>	<b>\$15,025,424</b>
* All interest is added to the Hardship Fee account.			

DIVISION OF DRINKING WATER  
**FEDERAL SRF**  
AS OF January 31, 2018

FIRST ROUND FUND		FEDERAL SECOND ROUND FUND		Hardship Fund
1997 thru 2017 SRF Grants		Principal Repayments	Earnings on Invested Cash Balance	Total:
Net Federal SRF Grants:	\$162,944,401	Principal (P):	\$53,676,314	Total: <b>\$1,175,947</b>
Total State Matches:	\$36,828,900	Interest (I):	\$15,298,352	
Closed Loans:	-\$198,367,651	<b>Total P &amp; I:</b>	<b>\$68,974,666</b>	Total: <b>\$1,594,762</b>
<b>Total Grant Dollars:</b>	<b>\$1,405,650</b>			

SUMMARY		
	Total Federal State Revolving Fund:	\$71,556,263
	Total Federal Hardship Fund:	\$1,594,762
	Subtotal:	\$73,151,024
<b>LESS</b> <b>AUTHORIZED &amp; PARTIALLY DISBURSED</b>	Less:	
	Authorized & Partially Disbursed Closed Loans:	\$43,976,775
	Authorized Federal Hardship:	\$381,923
	Subtotal:	\$44,358,698
		(see Page 2 for details)
<b>PROPOSED</b>	Proposed Federal Project(s):	\$937,000
	Proposed Federal Hardship Project(s):	\$0
	Subtotal:	\$937,000
		(see Page 2 for details)

AS OF:	January 31, 2018	<b>TOTAL REMAINING LOAN FUNDS:</b>	<b>\$26,642,488</b>
		<b>TOTAL REMAINING HARDSHIP FUNDS:</b>	<b>\$1,212,838</b>

**Total Balance of ALL Funds after deducting proposed actions: \$27,855,326**

Projected Receipts thru February 1, 2019	
2018 Fed SRF Grant	\$6,000,000
2018 State Match	\$1,720,000
Interest on Investments	\$1,101,600
Principal Payments	\$6,257,203
Interest	\$1,530,858
Hardship & Technical Assistance fees	\$283,167
Lapsing Water Use Appropriation to Hardship Grant Fund	\$0
Total:	\$16,892,828

} Receive 60% in January

Total Estimated Federal SRF Funds Available through: 02/01/2019 **\$44,748,154**

**DIVISION OF DRINKING WATER  
FEDERAL STATE REVIVING FUND**

**PROJECTS AUTHORIZED BUT NOT YET CLOSED  
AS OF January 31, 2018**

COMMUNITY	Project			Authorized Date	Closing Date Scheduled	Authorized From Loan Funds (1st or 2nd Round)			Hardship Fund
	Total Project	Terms	Loan #			Loan	Forgiveness	Total	
Juab County	27,210,000	2.5% int/hgf, 30 yrs	3F259	Mar-16	stalled	21,210,000		21,210,000	
Virgin Town	1,120,000	0% int, 30 yrs	3F272	Jul-16	stalled	1,120,000		1,120,000	
San Juan Spanish Valley SSD	5,100,000	0% int, 30yrs (combined w/CIB)	3F275	Aug-16	Oct-18	1,785,000	765,000	2,550,000	
Hanksville Town	1,091,273	0% int, 30 yrs	3F279	Nov-16	May-18	328,000	763,273	1,091,273	
Monticello	39,000	Eng study 10 yr 0% int	3F281P	Nov-16				0	39,000
Cove SSD	1,085,000	0% int, 30 yrs	3F285	Mar-17	Jun-18	600,000	485,000	1,085,000	
Torrey Town	1,700,000	.75% int/hgf, 30 yrs	3F287	Mar-17	Jun-18	1,700,000		1,700,000	
Cedarview Montwell SSD	2,309,000	.25% int, 28 yrs	3F282	May-17	Mar-18	2,309,000		2,309,000	
Community Water Company	3,662,000	3.39% int/hgf, 20 yrs	3F291	May-17	new proposal	3,662,000		3,662,000	
Big Plains SW SSD - Cedar Point	517,125	1% int/hgf, 30 yrs	3F290	May-17	Mar-18	362,000	155,125	517,125	
Greenwich Water Company	130,000	65K loan at 0%, 30 yrs/ 65K pf hg	3F258	Mar-16	stalled			0	65,000
Moab	90,000	100% pf	3F292	Aug-17			90,000	90,000	
North Valley Ranches Sub	450,000	0% int, 30 yrs	3F294	Nov-17		360,000	90,000	450,000	
Twin Creeks SSD	5,619,000	1.87% hgf, 30 yrs	3F295	Nov-17		4,738,000	600,000	5,338,000	
Marble Hills Water Co	40,400	1.85% int, 20 yrs	3F296	Nov-17				0	40,000
Winchester Hills Water Company	450,000	0% int, 30 yrs (add-on)	3F277A	Jan-18	Mar-18	225,000	225,000	450,000	
<b>TOTAL CONSTRUCTION AUTHORIZED:</b>						<b>\$ 38,399,000</b>	<b>\$ 3,173,398</b>	<b>\$ 41,572,398</b>	<b>\$ 144,000</b>
<b>COMMITTED ADVANCES / AGREEMENTS or PARTIALLY DISBURSED CLOSED 2ND ROUND AGREEMENTS:</b>									
					Date Closed				
Rural Water Assn of Utah	124,758	5 yr contract for Development Specialist	Ongoing	Nov-12	Jan-13			0	0
Elsinore Town	45,000	pl 100% pf hg	3F243P	Nov-15	Jun-16			0	86,423
Greenwich Water Company	130,000	65K loan at 0%, 30 yrs/ 65K pf hg	3F258	Mar-16	Jun-16			0	65,000
Forest Glen Plat A HOA	1,438,986	0% int, 30 yrs	3F222	Feb-14	Dec-14	68,000	29,986	97,986	
Taylor West Weber Water Improvement Dis	7,636,391	2.26% int, 30 yr	3F234	Feb-15	Apr-15	629,000	162,391	791,391	
West Erda Acres	1,700,600	0% int, 30 yr	3F233	Nov-14	Aug-17	39,000	39,000	78,000	
West Erda Acres	80,000	add on-100% pf	3F233	Sep-17	Oct-17			0	80,000
Springdale	7,840,000	.5% int/hgf, 30 yrs	3F264	May-16	Oct-17	711,440	725,560	1,437,000	
						0		0	
<b>TOTAL PLANNING AUTHORIZED:</b>						<b>\$1,447,440</b>	<b>\$956,937</b>	<b>\$2,404,377</b>	<b>\$237,923</b>
<b>TOTAL CONSTRUCTION &amp; PLANNING:</b>								<b>\$43,976,775</b>	<b>\$381,923</b>
<b>AVAILABLE PROJECT FUNDS:</b>									<b>\$27,579,488</b>
<b>AVAILABLE HARDSHIP FUNDS:</b>									<b>\$1,212,838</b>
<b>PROPOSED PROJECTS FOR MAR 2018:</b>									
Swiss Alpine Water	807,000	3.53 % 25 YRS	3F300			807,000		807,000	
Johnson Water	90,000		3F299P				90,000	90,000	
Antimony	40,000		3F301P			40,000		40,000	
<b>TOTAL PROPOSED PROJECTS FOR THIS MEETING:</b>						<b>\$847,000</b>	<b>\$90,000</b>	<b>\$937,000</b>	<b>\$0</b>
*RWAU hardship grant is being disbursed monthly									
<b>TOTAL FUNDS AFTER PROPOSED PROJECTS ARE FUNDED:</b>									<b>\$26,642,488</b>
<b>TOTAL FUNDS AFTER PROPOSED HS PROJECTS ARE FUNDED:</b>									<b>\$1,212,838</b>
<b>NOTES OF LOAN CLOSINGS SINCE LAST BOARD MEETING:</b>									
								0	
								0	
								0	
<b>Total Recent Loan Closings</b>						<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$57,754,422</b>

**DIVISION OF DRINKING WATER**  
**FEDERAL SRF LOAN FUNDS**  
**AS OF January 31, 2018**

	Loan Funds 1st Round	Loan Payments			TOTAL
		2nd Round		Hardship Fund	
		Principal	Interest		
Federal Capitalization Grants and State 20% match thru 2015	\$199,773,301				
Earnings on Invested 1st Round Funds			1,175,947		
Repayments (including interest earnings on 2nd round receipts)		53,676,314	15,298,352	1,594,762	271,518,675
Less:					
Closed loans and grants	-198,367,651				-198,367,651
<b>SUBTOTAL of Funds Available</b>	<b>\$1,405,650</b>	<b>\$53,676,314</b>	<b>\$16,474,299</b>	<b>\$1,594,762</b>	<b>\$73,151,024</b>
Loans & Grants authorized but not yet closed or fully disbursed	-38,792,398	-4,227,440	-956,937	-381,923	-44,358,698
<b>SUBTOTAL of Funds Available less Authorized</b>	<b>-\$37,386,748</b>	<b>\$49,448,874</b>	<b>\$15,517,362</b>	<b>\$1,212,838</b>	<b>\$28,792,326</b>
Future Estimates:					
Proposed Loans/Grants for current board package	-937,000			0	-937,000
<b>SUBTOTAL of Funds Available less Proposed Loans &amp; Grants</b>	<b>-\$38,323,748</b>	<b>\$49,448,874</b>	<b>\$15,517,362</b>	<b>\$1,212,838</b>	<b>\$27,855,326</b>
PROJECTIONS THRU February-2019					
	0				
2017 SRF Capitalization Grant (Loan Portion)	6,000,000				
2017 SRF Capitalization State Match	1,720,000				
Projected repayments & revenue during the next twelve months		6,257,203	1,530,858	283,167	8,071,228
Projected annual investment earnings on invested cash balance		840,000	240,000	21,600	1,101,600
<b>TOTAL</b>	<b>-\$30,603,748</b>	<b>\$56,546,077</b>	<b>\$17,288,220</b>	<b>\$1,517,605</b>	<b>\$44,748,154</b>



Agenda Item

4(B)

January 31, 2018

# Utah Federal SRF Program

## Project Priority List

Authorized

				<b>Total Unmet Needs:</b>	<b>\$223,035,220</b>			<b>Total Needs, incl. Recent funding</b>	<b>\$261,366,893</b>	<b>\$272,023,991</b>	
	date	type	%Green	Priority Points	System Name	County	Pop.	ProjectTitle	Project Total	Request DWB	Funds Authorized
N				51.8	Storm Haven	Wasatch	148	New Well and transmission line	\$2,041,414	UPDATE	
N				29	Woodland Mutual	Summit	186	Spring redevelopment, new tank, water lines, pump station	\$3,257,320	\$3,257,320	
N				18.8	Swiss Alpine	Wasatch	300	New Well and transmission line	\$955,152	\$815,152	
N				17.3	North Valley Ranches	Washington	25	New Well and transmission line	\$413,161	\$413,161	
A				41.4	Virgin Town	Washington	750	New 500,000-gallon tank and transmission line	\$1,131,313	\$1,131,313	\$1,120,000
A				27	Bridge Hollow	Summit	45	New Well	\$225,000	\$225,000	\$225,000
A				26.3	Hanksville	Wayne	210	Water Line Replacement	\$601,548	\$601,548	\$601,548
A				25.3	San Juan Spanish Valley SSD	San Juan	491	New System: tank, well, distribution	\$5,125,758	\$2,575,758	\$2,550,000
A				24.8	Torrey Town	Wayne	500	New water line and replacement	\$2,230,000	\$1,852,000	\$1,852,000
A				24.1	Community Water Company	Summit	505	Water line replacement, treatment plant upgrades	\$3,343,000	\$3,343,000	\$3,662,000
A				19.5	Twin Creeks SSD	Wasatch	2,500	Treatment Plant, Storage Tank, Water Lines	\$5,672,650	\$5,400,000	\$5,338,000
A				18.3	Greenwich	Piute	67	Chlorination building	\$131,300	\$131,300	\$131,000
A				12.5	Cove SSD	Sevier	100	New well, storage tank and water lines	\$1,611,000	\$1,085,000	\$1,085,000
A				9.7	Juab Co	Juab	???	Regionalization pipeline	\$24,000,000	\$21,000,000	\$21,210,000
A				8.3	Marble Hills Subdivision	Box Elder	300	Meters	\$35,000	\$35,000	\$40,000
A				N/A	Big Plains Water and Sewer SSD	Washington	720	Regionalization- purchase Canaan Springs Water Co.	\$502,125	\$502,125	\$517,125

N = New Application

A = Authorized

P = Potential Project- no application

E= Energy Efficiency

W= Water Efficiency

G= Green Infrastructure

I= Environmentally Innovative

### GREEN PROJECTS

### EMERGENCY FUNDING

### POTENTIAL PROJECTS

January 31, 2018

# Utah Federal SRF Program

## Project Priority List

Authorized

				Priority Points	Total Unmet Needs: \$223,035,220			Total Needs, incl. Recent funding \$261,366,893			Funds Authorized \$272,023,991
	date	type	%Green		System Name	County	Pop.	ProjectTitle	Project Total	Request DWB	Funds Authorized
P				125.2	Soldier Summit SSD-2nd home sub	Utah	33	Water line upgrade	\$530,303	\$530,303	
P				36.4	Santa Clara (on hold)	Washington	8,000	Water line upgrades	\$6,419,202	\$6,354,202	
P				35.0	CUWCD-Utah Valley	Utah		Treatment plant upgrades	\$39,369,500	\$36,950,000	
P				24.4	Jordan Valley WCD	Salt Lake	82,500	Treatment	\$3,200,000		
P				20.0	Pinon Forest	Duchesne	n/a	New system- residents haul water	\$21,247,000		
P				17.9	Wendover	Tooele	1,600	Water line upgrades	\$833,000		
P				17.5	Draper City	Salt Lake	15,000	Storage and distribution upgrades	\$35,789,000		
P				17.1	East Zion SSD	Kane	49	Water line	\$128,876	\$128,876	
P				16.4	Eastland SSD	San Juan	60	New well for back up purposes	\$500,000		
P				16.4	Neola	Duchesne	840	Waterline upgrades, storage, source improvements	\$3,607,592	\$3,607,592	
P				15.3	Newton Town	Cache	799	Spring rehabilitation, water line upgrades	\$1,581,500		
P				15.3	South Rim Water	Tooele	264	Well equipment and house, new tank	\$600,000		
P				15.2	Midvalley Estates Water Company	Iron	700	Source, storage, distribution	\$500,000		
P				15.1	Syracuse	Davis	25,200	Water line upgrades	\$1,589,756	\$1,589,756	
P				14.7	Central Waterworks Co.	Sevier	450	Storage and distribution upgrades	\$1,400,000		
P				14.0	Herriman	Salt Lake	18,431	Booster Pump, water line	\$2,050,000		
P				13.7	Cornish Town	Cache	300	Connect to Lewiston, rehab well	\$1,226,263		
P				13.7	Morgan City	Morgan	3,250	Water line upgrades	\$692,026		
P				13.5	Riverdale	Weber	8,200	New well and tank, water line upgrades	\$2,050,000		
P				13.3	Richfield City	Sevier	7,111	System repairs	\$2,722,000		
P				13.0	Uintah City	Weber	1,300	Treatment	\$1,063,000		
P				12.8	Centerfield	Sanpete	1,200	New tank, upgrade water lines	\$3,600,000		
P				12.6	Enterprise	Washington	1,500	New tank, upgrade water lines	\$1,917,100		
P				12.6	Price River	Carbon	7,659	New tank, water lines, treatment	\$2,750,000		
P				11.6	Manila Culinary Water Co.	Utah	2,450	Treatment and water line upgrades	\$700,000		
P				11.6	Jordan Valley WCD	Salt Lake	82,500	Flouride facility, well equipping	\$3,694,000	\$2,000,000	
P				11.4	Pineview West Water Company	Weber	115	Telemetry system	\$25,000		
P				11.4	North Ogden City	Weber	15,000	Water line upgrades	\$746,000	\$746,000	
P				11.3	Farmington	Davis	15,000	New well, new tank, water line replacement	\$2,830,000		
P				10.7	Ogden City	Weber	77,000	Source rehabilitation, treatment plant upgrades	\$26,500,000		
P				10.7	High Valley Water Company	Summit	850	Water line upgrades	\$1,000,000		
P				10.3	City of Monticello	San Juan	2,000	Storage and distribution upgrades	\$1,200,000		
P				9.8	Gorgoza	Summit	4,200	Waterline upgrades	\$1,000,000		
P				9.7	Moutain Regional SSD	Summit	6,700	Transmission line	\$600,000		
P				9.7	Benson Culinary Water District	Cache	743	New tank, water line replacement	\$500,000		

January 31, 2018

# Utah Federal SRF Program

## Project Priority List

Authorized

				Priority Points	Total Unmet Needs: \$223,035,220			Total Needs, incl. Recent funding \$261,366,893		Funds Authorized \$272,023,991	
	date	type	%Green		System Name	County	Pop.	ProjectTitle	Project Total	Request DWB	Funds Authorized
P				9.3	Mapleton City	Utah	7,300	Replace distribution lines	\$15,339,560		
P				9.2	Greendale Water Co.	Daggett	500	Treatment system	\$800,000		
P				9.1	Center Creek	Wasatch	200	Pump house and pump	\$80,000		
P				8.4	Nibley City	Cache	4,300	New tank	\$1,270,355		
P				8.3	Hurricane	Washington	8,000	Water line replacement and new tank	\$5,047,899		
P				7.6	Harmony Farms Water User Assoc.	Washington	300	Water line Replacement	\$3,000		
P				6.8	Hooper Water Improvement District	Weber	16,520	Storage, water lines, treatment	\$2,887,000		
P				6.7	Centerville City	Davis	16,000	Replacement well, water line upgrades	\$2,965,000		
P				6.1	Marble Hill Water Company	Box Elder	250	New storage tank	\$225,000		
P				4.5	Peterson Pipeline Association	Morgan	450	Source, storage, distribution	\$1,700,000		
P				4.5	Perry City	Box Elder	4,603	Source, storage, distribution	\$4,782,220		
P				3.9	Wolf Creek Country Club	Weber	2,000	Water line	\$180,000		
P				3.4	Highland City	Utah	15,066	New well houses	\$650,000		

# Agenda Item

4(C)(i)(a)

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

**APPLICANT'S REQUEST:**

Grantsville City is requesting \$3,500,000 in financial assistance to fund replacement of approximately 20,000 linear feet of main line pipe with 12-inch pipe and the drilling of a new well to address the declining yield of the existing North Well.

**STAFF COMMENTS:**

The local MAGI for Grantsville City is \$54,751 which is 124% of the 2016 State MAGI \$44,268. The average water bill is \$44 per month, which is 0.95% of the local MAGI. The water system does not qualify for subsidy however, they do qualify for reduced interest as they have 69 Financial Need Points. Grantsville City is committing \$1,635,000 as local contribution.

Option #	Description	Repayable Loan Amount	Interest Rate	Term	Principal Forgiveness	Monthly Water Rate	% Local MAGI
1	Base Eval.	\$ 3,500,000	3.9%	20 yrs	0	\$41.49	0.91 %
2	100% Loan	\$ 3,500,000	2.0%	20 yrs	0	\$40.41	0.89 %
<b>3</b>	<b>100% Loan</b>	<b>\$ 3,500,000</b>	<b>1.5%</b>	<b>20 yrs</b>	<b>0</b>	<b>\$40.15</b>	<b>0.88 %</b>

**STAFF RECOMMENDATION:**

**The Drinking Water Board authorize a loan of \$3,500,000 at 1.5% interest/fee for twenty (20) years with a \$35,000 loan origination fee to Grantsville City to fund the replacement of existing water lines and the drilling of a new well.**



**POPULATION GROWTH:**

	<u>Year</u>	<u>Grantsville Population</u>	<u>Equivalent Connections</u>
Current:	2018	11,000	3,709
Projected:	2040	20,800	6,372

**IMPLEMENTATION SCHEDULE:**

DWB Funding Authorization:	March 2018
Plan Approval	June 2018
Advertise for Bids:	June 2017
Bid Opening	July 2018
Loan Closing	August 2018
Begin Construction	September 2018
Complete Construction	July 2019
Receive Operating Permit:	July 2019

**COST ESTIMATE:**

Legal/Bonding	\$ 42,000
Admin	\$ 27,000
Permits, Fees, Testing	\$ 36,000
Engineering - Planning	\$ 20,000
Engineering - Design	\$ 217,000
Engineering - CMS	\$ 180,000
Construction	\$ 4,162,000
Contingency (~ 11%)	\$ 416,000
DDW Loan Origination Fee (1%)	\$ 35,000
<b>Total</b>	<b>\$ 5,135,000</b>

**COST ALLOCATION:**

The cost allocation proposed for the project is shown below.

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB	\$ 3,500,000	68%
Local Contribution	\$ 1,635,000	32%
	\$ \$5,135,000	100%



APPLICANT:

Grantsville City  
439 E. Main Street  
Grantsville, UT 84029  
435-884-3411

PRESIDING OFFICIAL &  
CONTACT PERSON:

Brent Marshall  
Mayor  
439 E. Main Street  
Grantsville, UT 84029  
435-884-4638  
bmarshall@grantsvilleut.gov

TREASURER/RECORDER:

Christine Webb  
439 E. Main Street  
Grantsville, UT 84029  
435-884-4603  
cwebb@grantsvilleut.gov

CONSULTING ENGINEER:

TBD

# Grantsville

PROPOSED BOND REPAYMENT SCHEDULE

100 % Loan & 0 % Grant

PRINCIPAL	\$3,500,000.00	ANTICIPATED CLOSING DATE	16-Aug-18
INTEREST	1.50%	FIRST P&I PAYMENT DUE	01-Jan-20
TERM	20	REVENUE BOND	
NOMIN. PAYMENT	\$203,860.08	GRANT AMOUNT:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2019	\$3,500,000.00		\$72,187.50 *	\$0.00	\$72,187.50	\$3,500,000.00	0
2020	\$3,500,000.00		\$203,500.00	\$151,000.00	\$52,500.00	\$3,349,000.00	1
2021	\$3,349,000.00		\$204,235.00	\$154,000.00	\$50,235.00	\$3,195,000.00	2
2022	\$3,195,000.00		\$203,925.00	\$156,000.00	\$47,925.00	\$3,039,000.00	3
2023	\$3,039,000.00		\$203,585.00	\$158,000.00	\$45,585.00	\$2,881,000.00	4
2024	\$2,881,000.00		\$204,215.00	\$161,000.00	\$43,215.00	\$2,720,000.00	5
2025	\$2,720,000.00		\$203,800.00	\$163,000.00	\$40,800.00	\$2,557,000.00	6
2026	\$2,557,000.00		\$203,355.00	\$165,000.00	\$38,355.00	\$2,392,000.00	7
2027	\$2,392,000.00		\$203,880.00	\$168,000.00	\$35,880.00	\$2,224,000.00	8
2028	\$2,224,000.00		\$204,360.00	\$171,000.00	\$33,360.00	\$2,053,000.00	9
2029	\$2,053,000.00		\$203,795.00	\$173,000.00	\$30,795.00	\$1,880,000.00	10
2030	\$1,880,000.00		\$204,200.00	\$176,000.00	\$28,200.00	\$1,704,000.00	11
2031	\$1,704,000.00		\$203,560.00	\$178,000.00	\$25,560.00	\$1,526,000.00	12
2032	\$1,526,000.00		\$203,890.00	\$181,000.00	\$22,890.00	\$1,345,000.00	13
2033	\$1,345,000.00		\$204,175.00	\$184,000.00	\$20,175.00	\$1,161,000.00	14
2034	\$1,161,000.00		\$203,415.00	\$186,000.00	\$17,415.00	\$975,000.00	15
2035	\$975,000.00		\$203,625.00	\$189,000.00	\$14,625.00	\$786,000.00	16
2036	\$786,000.00		\$203,790.00	\$192,000.00	\$11,790.00	\$594,000.00	17
2037	\$594,000.00		\$203,910.00	\$195,000.00	\$8,910.00	\$399,000.00	18
2038	\$399,000.00		\$203,985.00	\$198,000.00	\$5,985.00	\$201,000.00	19
2039	\$201,000.00		\$204,015.00	\$201,000.00	\$3,015.00	\$0.00	20
			\$4,149,402.50	\$3,500,000.00	\$649,402.50		

\*Interest Only Payment

## DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Grantsville  
 COUNTY: Tooele  
 PROJECT DESCRIPTION: Water line replacement and re-drilling well

FUNDING SOURCE: State SRF

**100 % Loan & 0 % Grant**

ESTIMATED POPULATION:	11,000	NO. OF CONNECTIONS:	3709 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$43.54 *			PROJECT TOTAL:	\$5,135,000
CURRENT % OF AGI:	0.95%	FINANCIAL PTS:	69	LOAN AMOUNT:	\$3,500,000
ESTIMATED MEDIAN AGI:	\$54,751			GRANT AMOUNT:	\$0
STATE AGI:	\$44,268			TOTAL REQUEST:	\$3,500,000
SYSTEM % OF STATE AGI:	124%				

	@ ZERO % RATE	@ RBBI MKT RATE	RATE	AFTER REPAYMENT PENALTY & POINTS
<b><u>SYSTEM</u></b>	0%	3.92%	2%	1.50%
ASSUMED LENGTH OF DEBT, YRS:	20	20	20	20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.92%	2.00%	1.50%
REQUIRED DEBT SERVICE:	\$175,000.00	\$255,715.06	\$214,048.51	\$203,860.08
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00	\$0.00	\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$17,500.00	\$25,571.51	\$21,404.85	\$20,386.01
<b>ANNUAL NEW DEBT PER CONNECTION:</b>	<b>\$51.90</b>	<b>\$75.84</b>	<b>\$63.48</b>	<b>\$60.46</b>
O & M + FUNDED DEPRECIATION:	\$847,000.00	\$847,000.00	\$847,000.00	\$847,000.00
OTHER DEBT + COVERAGE:	\$0.00	\$0.00	\$0.00	\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$65,100.00	\$69,135.75	\$67,052.43	\$66,543.00
<b>ANNUAL EXPENSES PER CONNECTION:</b>	<b>\$245.92</b>	<b>\$247.00</b>	<b>\$246.44</b>	<b>\$246.30</b>
TOTAL SYSTEM EXPENSES	\$1,104,600.00	\$1,197,422.32	\$1,149,505.79	\$1,137,789.09
TAX REVENUE:	\$0.00	\$0.00	\$0.00	\$0.00
<b><u>RESIDENCE</u></b>				
MONTHLY NEEDED WATER BILL:	\$39.40	\$41.49	\$40.41	\$40.15
<b>% OF ADJUSTED GROSS INCOME:</b>	<b>0.86%</b>	<b>0.91%</b>	<b>0.89%</b>	<b>0.88%</b>

\* Equivalent Residential Connections

Agenda Item

4(C)(ii)(a)

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

**APPLICANT'S REQUEST:**

Johnson Water Improvement District (Johnson WID) is requesting \$90,000 in financial assistance to complete a water master plan that will incorporate recent changes to their water system, model and analyze their system, and identify/evaluate future needs.

**STAFF COMMENTS:**

The local 2016 MAGI for Johnson WID is \$37,236 which is 84% of the State MAGI of \$44,268. The average water bill is \$130.21 per month, which is 4.20% of the local MAGI. The water system does qualify for subsidy as their current average water bill well exceeds 1.75% of local MAGI and have 77 Financial Need Points.

Option #	Description	Repayable Loan Amount	Interest Rate	Term	Principal Forgiveness	Monthly Water Rate	% Local MAGI
<b>1</b>	<b>100% grant</b>	<b>0</b>	<b>N/A</b>	<b>N/A</b>	<b>\$90,000</b>	<b>\$126.02</b>	<b>4.06 %</b>
2	100% loan	\$90,000	0%	5	0	\$127.74	4.12 %

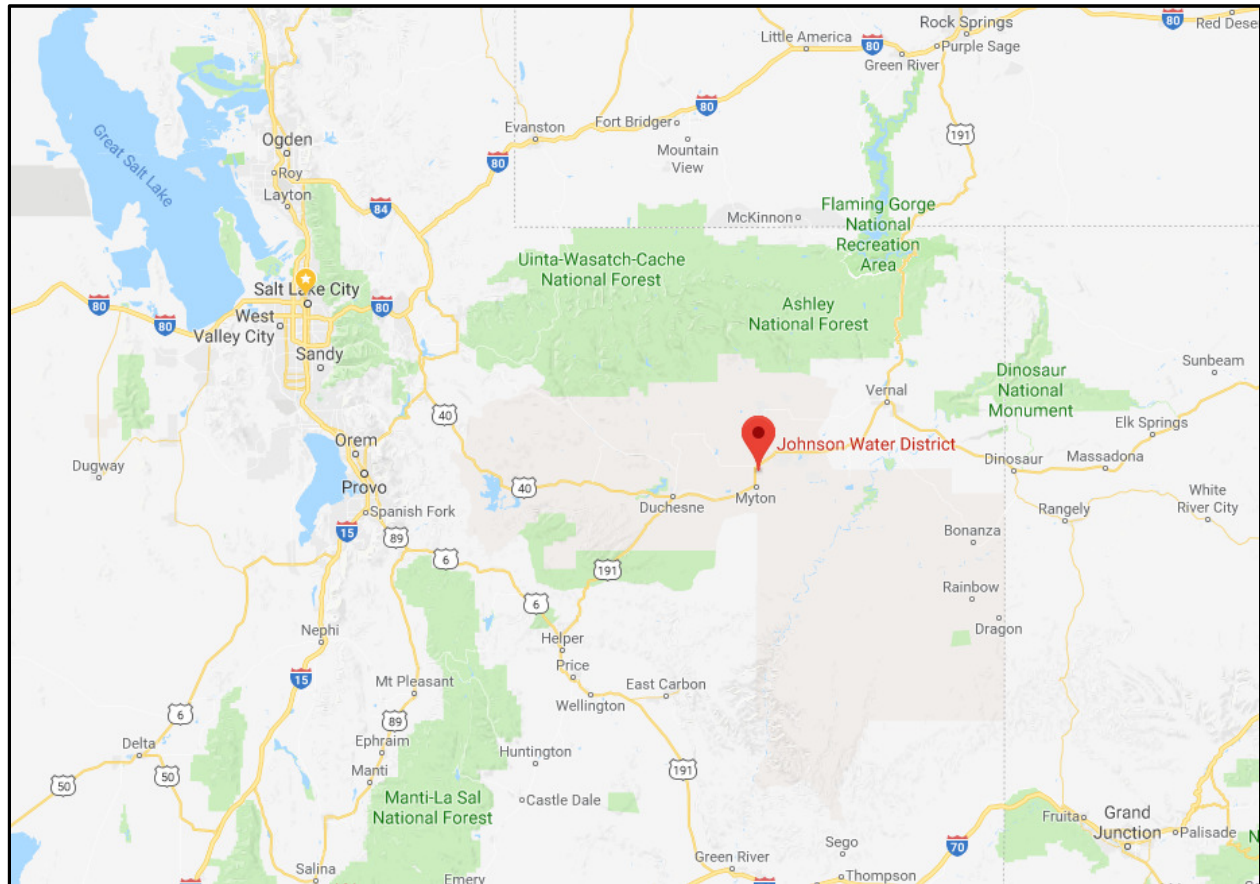
**STAFF RECOMMENDATION:**

**The Drinking Water Board authorize a planning grant of \$90,000 to Johnson WID for the development of a water master plan.**

**APPLICANT’S LOCATION:**

Johnson WID is located in Duchesne County approximately 140 miles east of Salt Lake City.

**MAP OF APPLICANT’S LOCATION:**



**PROJECT DESCRIPTION:**

Johnson WID is seeking to complete a water master plan for their existing system. The system provides water service to more than 2,500 people in Duchesne County as well as some industrial customers associated with the oil and gas industry. There have been significant changes to the existing system and the District needs to model and evaluate their system to identify existing concerns and future needs.

This master plan will consist of the following:

- Model Existing System
- Analyze Existing and Future System
- Identify Future Needs (5 and 10 yr)
- Modelling Software

**POPULATION GROWTH:**

	<u>Year</u>	<u>Johnson WID Population</u>	<u>Equivalent Connections</u>
Current:	2018	2,500	960
Projected:	2040	3,300	1,500

**IMPLEMENTATION SCHEDULE:**

DWB Funding Authorization:	March 2018
Complete Master Plan	August 2018

**COST ESTIMATE:**

Engineering – Planning (Lump Sum)	\$ 90,000
-----------------------------------	-----------

**COST ALLOCATION:**

The cost allocation proposed for the project is shown below.

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB	\$ 90,000	100%
Local Contribution	\$ 0	0%
	\$ 90,000	100%

APPLICANT:

Johnson Water Improvement District  
3748 West Highway 87  
Roosevelt, UT 84066  
435-722-2620

PRESIDING OFFICIAL &  
CONTACT PERSON:

Dallas Murray  
Mayor  
3748 West Highway 87  
Roosevelt, UT 84066  
435-722-2620  
dalmry@gmail.com

TREASURER/RECORDER:

Karen Ashby  
3748 West Highway 87  
Roosevelt, UT 84066  
435-722-2620  
jwdwater@stratanet.com

CONSULTING ENGINEER:

Chris Thomsen  
CIVCO Engineering  
P.O. Box 1758  
1256 West 400 South  
Suite 1  
Vernal, UT 84078  
435-823-8022  
christhomsen@civcoengineering.com



Agenda Item

4(C)(ii)(b)

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

**APPLICANT'S REQUEST:**

Swiss Alpine Water Company is drilling a new well. The cost of the project is estimated at \$947,000. They scored 18.8 points on the project priority list. They plan to contribute \$140,000 toward the project.

**STAFF COMMENTS:**

The local MAGI for Midway is \$61,675 (139% of the state MAGI), and their proposed after project water bill is 1.81% of the local MAGI. Because they are a second home division, they qualify for 90% of the RBBI of 3.92%. We have also extended their term to 25 years to help with the annual payments.

**STAFF RECOMMENDATION:**

The Drinking Water Board to authorize \$807,000 construction loan with an interest rate/fee of 3.53% for 25 years. Conditions include that they resolve all issues on their compliance report.

**APPLICANT'S LOCATION:**

Swiss Alpine Water Company is near Midway in Wasatch County

**MAP OF APPLICANT'S LOCATION:**



**PROJECT DESCRIPTION:**

New water source (well); drill new 300-500 gpm well to increase water supply to state required levels along with connection to existing distribution system

**POPULATION GROWTH:**

According to their application, the Midway area is expected to grow at an average annual rate of 7% over the next 20 years. Projected populations and number of connections are shown in the table below:

Year	Population	Connections
2017	300	99
2020	370	122
2025	453	150
2030	536	177
2035	628	188
2040	720	200

**IMPLEMENTATION SCHEDULE:**

FA Committee Conference Call:	Jan 2018
DWB Funding Authorization:	Mar 2018
Complete Design:	Jun 2018
Plan Approval:	Aug 2018
Advertise for Bids:	Aug 2018
Begin Construction:	Oct 2018
Complete Construction:	Jun 2019

**COST ESTIMATE:**

Legal – Bonding, Admin	\$30,000
Engineering- Plan, Design, CMS	\$90,000
Construction – transmission line	\$42,000
Construction – pump station	\$50,000
Construction – new well	\$597,000
Contingency	\$138,000
<b>Total Project Cost</b>	<b>\$947,000</b>
DDW Admin Fee	\$8,070

**COST ALLOCATION:**

The cost allocation proposed for the project is shown below:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan	\$807,000	85%
DWB Principle Forgiveness	\$0	0%
Self-Contribution	\$140,000	15%

**ESTIMATED ANNUAL COST OF WATER SERVICE:**

Operation and Maintenance	\$49,049
Existing DW Debt Service	\$0
DDW Debt Service:	\$49,113
DDW Debt Reserve (10%):	\$4,911
DDW Coverage (15%):	\$7,367
Replacement Reserve Account (5%):	n/a
Annual Cost/ERC:	\$1,116
Monthly Cost/ERC:	\$92.96
Cost as % MAGI:	1.81%

**CONTACT INFORMATION:**

APPLICANT:

Swiss Alpine Water Company  
PO Box 834  
Midway, UT 84049  
435-654-9026  
dmickelson@aol.com

PRESIDING OFFICIAL &  
CONTACT PERSON:

Franklin Dale Mickelson  
Water Operator  
PO Box 834  
Midway, UT 84049  
435-654-9026  
dmickelson@aol.com

CONSULTING ENGINEER:

Ryan Taylor  
GDA Engineers  
2211 W 3000 S  
Heber, UT 84032  
435-315-3168  
rtaylor@gdaengineers.com

RECORDER:

Heath Harvey  
801-681-3430  
heath@innovativeutah.com

FINANCIAL CONSULTANT:

n/a

CITY ATTORNEY:

n/a

BOND ATTORNEY:

n/a

## DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Swiss Alpine  
 COUNTY: Wasatch  
 PROJECT DESCRIPTION: new well

FUNDING SOURCE: Federal SRF

**100 % Loan & 0 % P.F.**

ESTIMATED POPULATION:	300	NO. OF CONNECTIONS:	99 *	SYSTEM RATING:	Corrective Action
CURRENT AVG WATER BILL:	\$70.29 *			PROJECT TOTAL:	\$947,000
CURRENT % OF AGI:	1.37%	FINANCIAL PTS:	33	LOAN AMOUNT:	\$807,000
ESTIMATED MEDIAN AGI:	\$61,675			PRINC. FORGIVE.:	\$0
STATE AGI:	\$44,268			TOTAL REQUEST:	\$807,000
SYSTEM % OF STATE AGI:	139%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 3.92%		AFTER REPAYMENT PENALTY & POINTS 3.53%
<b><u>SYSTEM</u></b>				
ASSUMED LENGTH OF DEBT, YRS:	25	25		25
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.92%		3.53%
REQUIRED DEBT SERVICE:	\$32,280.00	\$51,221.77		\$49,112.86
*PARTIAL COVERAGE (15%):	\$4,842.00	\$7,683.27		\$7,366.93
*ADD. COVERAGE AND RESERVE (10%):	\$3,228.00	\$5,122.18		\$4,911.29
<b>ANNUAL NEW DEBT PER CONNECTION:</b>	<b>\$407.58</b>	<b>\$646.74</b>		<b>\$620.11</b>
O & M + FUNDED DEPRECIATION:	\$49,049.00	\$49,049.00		\$49,049.00
OTHER DEBT + COVERAGE:	\$0.00	\$0.00		\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$0.00	\$0.00		\$0.00
<b>ANNUAL EXPENSES PER CONNECTION:</b>	<b>\$495.44</b>	<b>\$495.44</b>		<b>\$495.44</b>
TOTAL SYSTEM EXPENSES	\$89,399.00	\$113,076.21		\$110,440.07
TAX REVENUE:	\$6,000.00	\$6,000.00		\$6,000.00
<b><u>RESIDENCE</u></b>				
MONTHLY NEEDED WATER BILL:	\$75.25	\$95.18		\$92.96
% OF ADJUSTED GROSS INCOME:	1.46%	1.85%		1.81%

\* Equivalent Residential Connections

## Swiss Alpine

PROPOSED BOND REPAYMENT SCHEDULE

100 % Loan & 0 % P.F.

PRINCIPAL	\$807,000.00	ANTICIPATED CLOSING DATE	15-Sep-18
INTEREST	3.53%	FIRST P&I PAYMENT DUE	15-Sep-19
TERM	25	REVENUE BOND	
NOMIN. PAYMENT	\$49,112.86	PRINC. FORGIVE.:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2018	\$807,000.00		\$0.00 *	\$0.00	\$0.00	\$807,000.00	0
2019	\$807,000.00		\$48,470.96	\$20,000.00	\$28,470.96	\$787,000.00	1
2020	\$787,000.00		\$48,765.36	\$21,000.00	\$27,765.36	\$766,000.00	2
2021	\$766,000.00		\$49,024.48	\$22,000.00	\$27,024.48	\$744,000.00	3
2022	\$744,000.00		\$49,248.32	\$23,000.00	\$26,248.32	\$721,000.00	4
2023	\$721,000.00		\$49,436.88	\$24,000.00	\$25,436.88	\$697,000.00	5
2024	\$697,000.00		\$49,590.16	\$25,000.00	\$24,590.16	\$672,000.00	6
2025	\$672,000.00		\$48,708.16	\$25,000.00	\$23,708.16	\$647,000.00	7
2026	\$647,000.00		\$48,826.16	\$26,000.00	\$22,826.16	\$621,000.00	8
2027	\$621,000.00		\$48,908.88	\$27,000.00	\$21,908.88	\$594,000.00	9
2028	\$594,000.00		\$48,956.32	\$28,000.00	\$20,956.32	\$566,000.00	10
2029	\$566,000.00		\$48,968.48	\$29,000.00	\$19,968.48	\$537,000.00	11
2030	\$537,000.00		\$48,945.36	\$30,000.00	\$18,945.36	\$507,000.00	12
2031	\$507,000.00		\$48,886.96	\$31,000.00	\$17,886.96	\$476,000.00	13
2032	\$476,000.00		\$49,793.28	\$33,000.00	\$16,793.28	\$443,000.00	14
2033	\$443,000.00		\$49,629.04	\$34,000.00	\$15,629.04	\$409,000.00	15
2034	\$409,000.00		\$49,429.52	\$35,000.00	\$14,429.52	\$374,000.00	16
2035	\$374,000.00		\$49,194.72	\$36,000.00	\$13,194.72	\$338,000.00	17
2036	\$338,000.00		\$48,924.64	\$37,000.00	\$11,924.64	\$301,000.00	18
2037	\$301,000.00		\$49,619.28	\$39,000.00	\$10,619.28	\$262,000.00	19
2038	\$262,000.00		\$49,243.36	\$40,000.00	\$9,243.36	\$222,000.00	20
2039	\$222,000.00		\$48,832.16	\$41,000.00	\$7,832.16	\$181,000.00	21
2040	\$181,000.00		\$49,385.68	\$43,000.00	\$6,385.68	\$138,000.00	22
2041	\$138,000.00		\$48,868.64	\$44,000.00	\$4,868.64	\$94,000.00	23
2042	\$94,000.00		\$49,316.32	\$46,000.00	\$3,316.32	\$48,000.00	24
2043	\$48,000.00		\$49,693.44	\$48,000.00	\$1,693.44	(\$0.00)	25
			\$982,570.32	\$585,000.00	\$397,570.32		

\*Interest Only Payment



# Utah Department Of Environmental Quality

## Division Of Drinking Water

<b>SWISS ALPINE WATER CO</b>	<b>PWS ID: UTAH26049</b>	<b>Rating: Corrective Action</b>	<b>04/14/2016</b>	<b>Active</b>
------------------------------	--------------------------	----------------------------------	-------------------	---------------

**Legal Contact****Site Updates****Consumptive Use Zone**

SWISS ALPINE WATER CO  
FRANKLIN DALE MICKELSON  
PO BOX 834  
MIDWAY, UT 84049  
Phone: 435-654-9026  
County: WASATCH COUNTY  
System Type: Community  
Population: 300

Last Inventory Update: 01/15/2015  
Last Surveyor Update: 11/05/2015  
Surveyor: TRACY RICHARDSON  
Operating Period: 1/1 - 12/31  
Last IPS Update: 01/22/2018 07:00:00

Irrigation Zone: 2  
Date: 02/15/2013

**Admin Contacts**

Name	Title	Office	Emergency	Email
MICKELSON, FRANKLIN DALE		435-654-9026		DMICKELSON@AOL.COM

**IPS Report****IPS Summary**

Total IPS Points	Admin & Physical Facilities	Quality & Monitoring	Operator Certification	Significant Deficiency
<b>25</b>	<b>-10</b>	<b>0</b>	<b>0</b>	<b>35</b>

**Physical Facility Points**

Code	Description	Severity	Point Effective		
M001	CURRENT EMERGENCY RESPONSE PROGRAM REC		-10		
Facility	Comments	Status	Determined	Point Not Assessed	Point Assessed
			11/05/2015		-10
S094	SYSTEM LACKS >40% OF REQUIRED SOURCE CAPACITY	SIG			0
Facility	Comments	Status	Determined	Point Not Assessed	Point Assessed
			09/25/2012	50	0

**Total Effective Points: -10****Significant Deficiency Violations**

ID	Violation	Code	Deficiency	Determined	Point Effective
	45 FAILURE ADDRESS DEFICIENCY (GWR)	S094	SYSTEM LACKS >40% OF REQUIRED SOURCE CAPACITY	01/30/2014	35

**Total Effective Points: 35****Operator Certification Points**

Type	Level Required	Highest Certificate	Point Effective
Distribution	Small System	Small System	0
Treatment			0
<b>Total Effective Points:</b>			<b>0</b>

Agenda Item

4(C)(iii)(a)

Will be available as a handout at the  
3/1/2018 Board Meeting.

Agenda Item

4(C)(iii)(b)

Will be available as a handout at the  
3/1/2018 Board Meeting.

# Agenda Item

5

Will be available as a handout at the  
3/1/2018 Board Meeting.



# Current News

**DRINKING WATER BOARD PACKET**  
**Current News**

**Table of Contents**

Potential water rate increase would help fund infrastructure improvements..... 2

Lethal Pneumonia Outbreak Caused By Low Chlorine in Flint Water ..... 5

Thomas Fire victims file class action lawsuit against California Utility ..... 8

Cape Town welcomes much-needed rain, but ‘Day Zero’ still looms ..... 9

Water main break leaves Millcreek homeowners uncertain who to blame for damages..... 11

# Potential water rate increase would help fund infrastructure improvements

By: Sean Dolan, staff writer; Feb 8, 2018 ; HJnews.com

[https://news.hjnews.com/allaccess/potential-water-rate-increase-would-help-fund-infrastructure-improvements/article\\_48a5d6fb-3ce9-51f8-84d4-5f3124576cc6.html](https://news.hjnews.com/allaccess/potential-water-rate-increase-would-help-fund-infrastructure-improvements/article_48a5d6fb-3ce9-51f8-84d4-5f3124576cc6.html)

Water rates for residential users in Logan could increase by 35 percent on April 1 to fund infrastructure replacements and a new 10-million gallon storage tank. Commercial users would see the same increase July 1.

City staff laid out the proposal for the Logan Municipal Council on Tuesday. Acting Public Works Director Paul Lindhardt said the Storm, Water and Wastewater Advisory Board looked at various scenarios and came up with a recommendation to increase to both the base and consumption rate this year by 35 percent with an additional 3 percent increase each year for four years after that, pending an annual review by the Municipal Council.

He said the advisory board wants to stop “kicking the can down the road.”

“They wanted to become proactive and start doing the pipeline replacement projects that have been recommended now for 12 years and make it happen,” Lindhardt said.

The Municipal Council will conduct a public hearing and potentially make a decision on the proposal at their March 20 meeting.

Under the proposal, the residential rate increase would go into effect April 1 to avoid the “double whammy” effect, Lindhardt said, of raising rates during the height of summer when residents use more water on their lawns. A home that uses 6,000 gallons would be charged an additional \$8.17 per month, from \$23.30 to \$31.37 in the first year.

Commercial users in Logan would see the same 35 percent increase this year, but Lindhardt said that increase would be implemented a bit later, on July 1, to fit into the fiscal year of large users like Gossners, Schreiber’s and USU. He said the 35 percent increase would mean a \$3,000 monthly bill increase for some large companies.

Ben Jarvis, chairman of the Storm, Water and Wastewater Advisory Board and owner of Culligan Water, urged the Municipal Council to approve the rate increase in a letter. He said the 35 percent jump would help the city catch up on much-needed maintenance and reduce the need to bond for large projects in the future.

“For far too long, rates charged for water received at the end use have been less than the actual cost to collect, prepare, and deliver,” Jarvis wrote.

Lindhardt, at Tuesday's meeting, provided statistics on Logan's historical water rates. Over the past 15 years, rates have increased by an average of 1.7 percent each year. That's under the national inflation rate of 2.2 percent.

If the new proposed rates were implemented gradually over the past 15 years, it would have amounted to a 3.6 percent annual increase. That's below the national water escalation rate of 4.1 percent.

Rates were last increased in 2016. Lindhardt said in a Thursday interview that city staff at the time had proposed a 6 percent increase, equal to 1.5 percent per year for the previous four years, but the Municipal Council approved a 1.5 percent increase.

"Quite often as they go through public comment, those sort of things, they get reduced," Lindhardt said. "But, yeah, it's just tough to raise rates. Nobody likes doing it."

Based on comments from several Municipal Council members Tuesday, however, there seems to be support for the proposal.

"It will be painful, but kicking the can down the road further only makes the hit bigger in the future," Councilman Tom Jensen said.

Councilwoman Jeannie Simmonds, who chairs the Cache Water District, said there's a good chance the state will eventually require all cities to capitalize their water infrastructure assets and create a depreciation schedule. She said it's a good idea to raise rates now to get a head start.

"We're not doing it because we want to have a rate increase; we're doing it because we want to be responsible citizens today so that when our children and our grandchildren live here, they're not having to go, 'We don't have any water in this city because the pipes all fell apart, and we don't have a big enough tank to handle the capacity,'" Simmonds said.

Lindhardt said Logan is currently 11.5 million gallons behind the state's water storage volume requirement. At "buildout condition," when the city is built out to its limits, Lindhardt said Logan will be 35 million gallons short of the state requirement.

Marie Owens, director of the Utah Division of Drinking Water, said Utah requires 400 gallons of storage per connection for indoor use and additional storage for outdoor use. But, she said, the standards could soon change.

HB303, introduced by Rep. Scott Sandall (R-Tremonton), would change the state storage requirements to be system specific, based on historical water usage data. Logan could have very different requirements standards than St. George, for example, based on previous water usage.

"Instead of saying everybody statewide uses the same amount of water ... we're just going to say Logan city is unique to Logan city, and however much water they need, that's what their requirements will be," Owens said.

On Logan's storage shortfall, Owens added that it's not uncommon for a city to grow faster than its drinking water infrastructure can accommodate.

"This happens regularly," she said.

Lindhardt said Logan is planning to build a 10-million gallon storage tank in seven to eight years and could apply for an exemption from the state to take care of the rest of the 35-million gallon shortage.

But as the state rules could soon change, he said Logan is waiting to see what happens before applying for the exemption. It might not be needed if HB 303 allows cities to use their historical water data to calculate their water storage needs.

If approved in March, the revenue from the increased rates would help fund pipeline replacement in Logan starting with the worst leaky, old pipes. As UDOT is planning to rebuild Main Street with a concrete surface in 2024 or 2025, Lindhardt said Logan would replace utilities under the road at the same time.

sdolan@hjnews.com Twitter: @RealSeanDolan

# Lethal Pneumonia Outbreak Caused By Low Chlorine in Flint Water

By: Rebecca Hersher; February 5, 2018 3:00 PM ET; Heard on All Things Considered; npr <https://www.npr.org/sections/health-shots/2018/02/05/582482024/lethal-pneumonia-outbreak-caused-by-low-chlorine-in-flint-water>

An outbreak of Legionnaires' disease that killed 12 people and sickened at least 87 in Flint, Mich., in 2014 and 2015 was caused by low chlorine levels in the municipal water system, scientists have confirmed. It's the most detailed evidence yet linking the bacterial disease to the city's broader water crisis.

In April 2014, Flint's water source switched from Lake Huron to the Flint River. Almost immediately, residents noticed tap water was discolored and acrid-smelling. By 2015, scientists uncovered that the water was contaminated with lead and other heavy metals.

Just months after the water source changed, hospitals were reporting large numbers of people with Legionnaires' disease.

"It's a pneumonia, but what's different about it is, we don't share it like we do the flu or common cold," explains Michele Swanson of the University of Michigan, who has been studying Legionnaires' for 25 years. "It's caused by a bacterium, *Legionella pneumophila*, that grows in water."

The bug can enter the lungs through tiny droplets, like ones dispersed by an outdoor fountain or sprinkler system, or accidentally inhaled if a person chokes while drinking.

"If you don't have a robust immune system, the microbe can cause a lethal pneumonia," she says. In a normal year, the disease is relatively rare — about six to 12 cases per year in the Flint area, according to Swanson. During the water crisis, that jumped up to about 45 cases per year.

Although the outbreak of Legionnaires' happened at the same time as the Flint water crisis, it was initially unclear how the two were connected. After earlier research suggested that chlorine levels might be the key, Swanson and colleagues at the University of Michigan in Ann Arbor, Sammy Zahran of Colorado State University and a team of researchers at Wayne State University in Detroit, began analyzing detailed water and epidemiological data from the six-year period before, during and after the crisis.

"We know that Legionella is sensitive to chlorine in the laboratory," says Swanson. The chlorine makes it difficult for the bacteria to replicate, which is one reason water companies often add chlorine to their systems. But when Flint's water source changed, the chlorine level dropped and cases of Legionnaires' disease spiked. "It was the change in water source that caused this Legionnaires' outbreak," Swanson says.

The new research was published in a pair of studies in the Proceedings of the National Academy of Sciences and the journal mBio on Monday. The conclusion may bolster parts of the case being brought against Nick Lyon, the former Michigan Department of Health and Human Services director, who is being tried for involuntary manslaughter in connection with the Legionnaires' deaths.

The new studies also suggest that a complex set of factors may be responsible for low chlorine levels during the crisis. In addition to killing microbes, chlorine can react with heavy metals like lead and iron, and with organic matter from a river. That means lead and iron in the water may have decreased the amount of chlorine available to kill bacteria.

"The really striking finding from our research is that the amount of chlorine that needs to be present is actually influenced by other factors in this large municipal water system," says Swanson. "So, for example, during the Flint water crisis, the amount of chlorine that needed to be present to reduce the risk of disease was much higher than normal."

That also helps explain why the disease outbreak ended when the city switched back to its original water source, even though Legionella bacteria aren't completely gone from the water system.

"There are still levels of deadly Legionnaires' bacteria present in Flint's water. It's found in about 25 percent of all samples collected nationally," explains Marc Edwards, a professor of civil engineering at Virginia Tech and one of the first scientists to sound the alarm about lead in Flint's water. One of the newly published studies found Legionella in 12 percent of Flint homes after the outbreak was over.

"The key is to keep the bacteria under control, so the incidence of human disease is minimized," he says. According to recent water monitoring by Edwards and others, chlorine levels in Flint's water system are comfortably high. "The system has never been less likely to support the growth of the deadly Legionnaires' bacteria," he says.

Both Edwards and Swanson say detailed studies about the outbreak are also valuable for local officials.

"Right now there are no federal laws that protect consumers from Legionella. Right now we have laws that require building owners and hospital owners to protect their occupants," says Edwards. "Clearly, the Flint water crisis and the deadly Legionnaires' disease outbreak shows there is a role for the water company to protect consumers."

Swanson points out that local officials are already in a good position to implement the new findings. "What's powerful about this is, by law, water utilities sample the water at least once a week and measure a number of parameters including chlorine. So this data is already out there," she says.

"We're very hopeful this will inform policy decisions to keep the water safe."



# Thomas Fire victims file class action lawsuit against California Utility

By: Wil Cruz;  
Jan 5, 2018, 1:27 PM ET; ABC News

<http://abcnews.go.com/US/thomas-fire-victims-file-class-action-lawsuit-california/story?id=52161462>

A class action lawsuit has been filed against Southern California Edison, alleging the utility sparked the biggest wildfire in the state's modern history.

Nine plaintiffs, who jointly filed the suit last month, claim Southern California Edison's negligence led to the Thomas Fire, which ignited in the evening hours of Dec. 6.

"Had SCE acted responsibly," the lawsuit, referring to the utility, reads, "the Thomas Fire could have been prevented."

The utility displayed negligence, the lawsuit alleges, by performing construction near a facility in "an unsafe manner," which caused vegetation to catch fire. It also failed to "maintain its overhead electric and communications facilities in a safe manner," and didn't remove trees or vegetation around its utility poles, the lawsuit said.

The lawsuit also names Ventura City and the Casitas Municipal Water District as defendants for failing to have working generators on hand that could have helped with water pressure.

"For some inexplicable reason," the suit says, "the City of Ventura failed to have on hand properly working backup generators, which prevented desperately needed water pressure to be supplied to the fire hydrants located in the hillside neighborhoods and canyons of Ventura.

The Thomas Fire burned through more than 242,000 acres, destroyed more than 1,000 structures and required thousands of firefighters to extinguish it. The wildfire has displaced more than 100,000 people from their homes, the lawsuit said.

Southern California Edison issued a statement saying it is "unable to comment on pending lawsuits due to the Cal Fire investigation now underway."

Kevin Brown, Ventura City's water general manager, said he shared "heartfelt sympathy for those who have lost their homes or have been displaced by the Thomas Fire." He added that the city doesn't comment on pending litigation, but commended the "Fire Department and Ventura Water crews on their response to this emergency."

A spokesman for the Municipal Water District said the company would not comment because of pending litigation.

The lawsuit is seeking unspecified monetary damage

# Cape Town welcomes much-needed rain, but 'Day Zero' still looms

By: Angus Hines, James Longman and Morgan Winsor;  
Cape Town, South Africa, Feb. 10, 2018, 4:44 PM ET; ABC News

<http://abcnews.go.com/International/cape-town-welcomes-needed-rain-day-looms/story?id=52985293>

Rain clouds rolled in over Cape Town on Friday night and drenched South Africa's drought-stricken city, where residents are bracing for the day the taps run dry, the day they're calling "Day Zero."

Just south of the city, in the sleepy seaside town of Scarborough, people were enjoying local fare and drinks at the laid-back Camel Rock restaurant when the night sky opened up. The rain hammered the roof of the white stucco building, prompting many patrons to leave their tables and step outside to feel the rain on their skin.

One local, in apparent disbelief, asked a friend if the rain was real.

Another resident told ABC News it's the first substantial rainfall they've seen in three months.

The South African Weather Service recorded 6 millimeters of rain, or about 0.24 inches, at Cape Town's Slangkop Lighthouse overnight.

The much-needed rainfall lightened the mood in a city plagued by three years of consecutive drought. But one night of rain is far from what Cape Town needs to avoid the looming water crisis.

The date the city estimates it will run out of water, which has been dubbed "Day Zero," was originally slated for April 21, but had been moved up to April 12. On Jan. 29, the city pushed the date back to April 16, marking a slight improvement in its situation.

The date was again pushed back to May 11 due to "a decline in agricultural usage," the city announced in a Feb. 4 statement.

But since there hasn't been any significant decline in urban usage, authorities continued to ask residents to limit the amount of municipal water they use to a maximum of just 13.2 gallons per day. Irrigation has been restricted to Tuesdays and Saturdays for one hour, before 9 a.m. and after 6 p.m. local time, to help prevent the remaining water supplies from running out before the arrival of winter rains.

With nearly 4 million residents, Cape Town is South Africa's second-most populous city and the provincial capital of the Western Cape. The sprawling metropolis, renowned for its picturesque

harbor, not far from where the waters of the Atlantic and Indian Oceans meet, is one of South Africa's most iconic tourist destinations.

But the water levels of Cape Town's major supply dams, sourced by rainfall, have plummeted due to persistent drought. The combined water level was just 25.5 percent on Friday, with the last 10 percent of water unsuitable for drinking.

"Last year, we had abnormally low winter rainfall, and we cannot assume that this year will be any different," the city of Cape Town said in the Feb. 4 statement. "Even if we have been given a slight reprieve at this stage, we are likely to be facing a late and dry winter."

The situation, aggravated by years poor of water management and political infighting, has left many confused and in fear.

# Water main break leaves Millcreek homeowners uncertain who to blame for damages

By: Ashton Goodell, KSL TV; Posted February 10<sup>th</sup>, 2018 @ 7:05pm

<https://www.ksl.com/?sid=46258356&nid=148&title=water-main-break-leaves-millcreek-homeowners-uncertain-who-to-blame-for-damages>

MILLCREEK — Homeowners were left to clean up a wet mess after a water line broke in Millcreek Friday night.

Meanwhile, an estimated 20 homes were without water for several hours as crews worked to fix the small pipe.

Residents in the area said this isn't the first flooding they've experienced due to old pipes and a high water table, however, they were surprised to see the issue wasn't taken care of right away.

Jason Digilio woke up Saturday morning to no water when he went to brush his teeth. Homeowner Janine McDonald experienced the worst flooding in the area with nearly six inches of water in her basement, despite having a sump pump.

"I'm very mad, but I mean, what do you do?" McDonald said. "I mean, being mad doesn't help. All I need to do is clean up the mess."

Homeowners said they saw water above the gutter flowing onto their sidewalks and driveways for the past week. Several residents complained to Salt Lake City Public Utilities but utility officials claimed the water line is the responsibility of the homeowners association.

The HOA called in a private contractor Saturday morning to dig up the road and fix the leak.

But affected homeowners are left with one question: who's going to pay for the damages?

McDonald faces a major clean-up bill of \$20,000.

Officials with Public Works were only at the scene Saturday morning to shut down the broken water line, but said the damages are not their responsibility.