APPLICANT’S REQUEST:

Pine Valley Mountain Farms Water Company is requesting financial assistance to refurbish a 32-year-old water tank, replace 1200 feet of leaky transmission line, install an emergency backup solar pump on two wells, and to purchase and install 75 electronic water meters. This project scored 47.2 points on the Project Priority List.

The total estimated project cost is $700,000. Pine Valley Mountain Farms will contribute $69,985 and is requesting the balance from the Drinking Water Board.

STAFF COMMENTS:

The local MAGI for Pine Valley Mountain Farms is $53,300, which is 115% of the State MAGI. The current average water bill is $92.51/ERC, which is 2.08% of the local MAGI. The estimated after project water bill at full loan would be $132.33/ERC or 2.98% of the local MAGI. Based on MAGI and average monthly water bill, Pine Valley Mountain Farms qualifies to be considered for additional subsidy.

<table>
<thead>
<tr>
<th>Option</th>
<th>Loan / Grant</th>
<th>Principal Forgiveness</th>
<th>Loan</th>
<th>Term</th>
<th>Interest Rate (HGA)</th>
<th>Water Bill</th>
<th>% Local MAGI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100/0</td>
<td>0</td>
<td>$630,015</td>
<td>20 yrs</td>
<td>0%</td>
<td>$132.33</td>
<td>2.98%</td>
</tr>
<tr>
<td>2</td>
<td>0/100</td>
<td>$630,015</td>
<td>0</td>
<td></td>
<td></td>
<td>$83.16</td>
<td>1.87%</td>
</tr>
</tbody>
</table>

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board authorize a construction loan of $630,015 with 100% in principal forgiveness to Pine Valley Mountain Farms Water Company.

Pine Valley Mountain Farms does not have any IPS points.
APPLICANT’S LOCATION:

Pine Valley Mountain Farms Water Company is located in Washington County approximately 21 miles northwest from St George.

MAP OF APPLICANT’S LOCATION:

PROJECT DESCRIPTION:

This application is for 4 different projects: 1) 32-year-old water tank needs full refurbish, including replacement of roof support beams, full sandblast and repaint; 2) new 1200-foot 8” water line installation to replace 46-year-old water line that has numerous leaks. 3) Emergency backup solar pump system to be installed in two wells; 4) purchase and installation of 75 electronic water meters to replace manual read meters installed in 1995.
POPULATION GROWTH:
Pine Valley Mountain Farms conducted an in-house study of population and over the last 10 years stated their population has decreased from 200 to between 140-150. Their connections have remained at 62 over that time period as well.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Connections</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>144</td>
<td>62</td>
</tr>
<tr>
<td>2030</td>
<td>144</td>
<td>62</td>
</tr>
<tr>
<td>2040</td>
<td>144</td>
<td>62</td>
</tr>
</tbody>
</table>

COST ESTIMATE:

Engineering – Planning/Design $25,000
Construction - $642,295
Contingency (~10%) $32,705
1% Loan Origination Fee Moved to Contingency

Total $700,000

COST ALLOCATION:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Cost Sharing</th>
<th>Percent of Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>DWB Principal Forgiveness</td>
<td>$630,015</td>
<td>90%</td>
</tr>
<tr>
<td>Local Contribution</td>
<td>$69,985</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>$700,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

IMPLEMENTATION SCHEDULE:

DWB Funding Authorization: Aug 2022
Complete Design: Sept 2022
DDW Plan Approval: Oct 2022
Advertise for Bids: Oct 2022
Bid Opening: Nov 2022
Loan Closing: Dec 2022
Begin Construction: Dec 2022
Complete Construction: March 2023
CONTACT INFORMATION:

APPLICANT: Pine Valley Mountain Farms Water Company
100 East Wells Fargo Road
Brookside, UT 84782
801-556-6402
pinevalleyfrmswater@gmail.com

PRESIDING OFFICIAL & CONTACT PERSON: Michelle DePrizio Board President
131 South Pioneer Circle
Brookside, UT 84782
801-556-6402
pinevalleyfrmswater@gmail.com

TREASURER/RECORDER: Robert Hawley
435-773-2661
pinevalleyfrmswater@gmail.com

CONSULTING ENGINEER: Glen Carnahan
Alpha Engineering
43 South 100 East Ste 100
St. George, UT 84770
435-628-6500
glencarnahan@alphaengineering.com

BOND ATTORNEY:
**DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION**

**SYSTEM NAME:** Pine Valley Farms Water Company  
**FUNDING SOURCE:** Federal SRF  
**COUNTY:** Washington  
**PROJECT DESCRIPTION:** Tank refurbishment, water line replacement, emergency back up solar system, meters installed

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

<table>
<thead>
<tr>
<th>ESTIMATED POPULATION:</th>
<th>144</th>
<th>NO. OF CONNECTIONS:</th>
<th>62 *</th>
<th>SYSTEM RATING:</th>
<th>APPROVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT AVG WATER BILL:</td>
<td>$92.51 *</td>
<td></td>
<td></td>
<td>PROJECT TOTAL:</td>
<td>$700,000</td>
</tr>
<tr>
<td>CURRENT % OF AGI:</td>
<td>2.08%</td>
<td>FINANCIAL PTS:</td>
<td>38</td>
<td>LOAN AMOUNT:</td>
<td>$0</td>
</tr>
<tr>
<td>ESTIMATED MEDIAN AGI:</td>
<td>$53,300</td>
<td></td>
<td></td>
<td>PRINC. FORGIVE.:</td>
<td>$630,015</td>
</tr>
<tr>
<td>STATE AGI:</td>
<td>$46,500</td>
<td></td>
<td></td>
<td>TOTAL REQUEST:</td>
<td>$630,015</td>
</tr>
<tr>
<td>SYSTEM % OF STATE AGI:</td>
<td>115%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>@ ZERO %</th>
<th>@ RBBI</th>
</tr>
</thead>
<tbody>
<tr>
<td>RATE</td>
<td>MKT RATE</td>
</tr>
<tr>
<td>0%</td>
<td>3.62%</td>
</tr>
</tbody>
</table>

**SYSTEM**

- **ASSUMED LENGTH OF DEBT, YRS:** 20  
- **ASSUMED NET EFFECTIVE INT. RATE:** 0.00%  
- **REQUIRED DEBT SERVICE:** $0.00 $0.00  
- ***PARTIAL COVERAGE (15%):** $0.00 $0.00  
- ***ADD. COVERAGE AND RESERVE (10%):** $0.00 $0.00  
- **ANNUAL NEW DEBT PER CONNECTION:** $0.00 $0.00

- **O & M + FUNDED DEPRECIATION:** $42,331.00 $42,331.00 $42,331.00  
- **OTHER DEBT + COVERAGE:** $16,750.00 $16,750.00 $16,750.00  
- **REPLACEMENT RESERVE ACCOUNT:** $2,786.55 $2,786.55 $2,786.55  
- **ANNUAL EXPENSES PER CONNECTION:** $997.86 $997.86 $997.86

- **TOTAL SYSTEM EXPENSES:** $61,867.55 $61,867.55 $61,867.55  
- **TAX REVENUE:** $0.00 $0.00 $0.00

**RESIDENCE**

- **MONTHLY NEEDED WATER BILL:** $83.16 $83.16 $83.16

- **% OF ADJUSTED GROSS INCOME:** 1.87% 1.87% 1.87%

$0.00