

Drinking Water
Board Packet
April 16, 2014

Agenda



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Department of Environmental Quality

Amanda Smith
Executive Director

DIVISION OF DRINKING WATER
Kenneth H. Bousfield, P.E.
Director

Drinking Water Board

Paul Hansen, P.E., *Chair*
Betty Naylor, *Vice-Chair*
Brett Chynoweth
Tage Flint
Heather Jackson
Brad Johnson
Nataasha Madsen
David Stevens, Ph.D.
Mark Stevens, M.D.
Kenneth H. Bousfield, P.E.
Executive Secretary

DRINKING WATER BOARD MEETING

April 16, 2014
1:00 p.m.
195 North 1950 West
Salt Lake City, Utah 84116
Teleconference
1-877-820-7831
Pin#: 878776#

Ken Bousfield's Cell Phone #: (801) 674-2557

1. Call to Order – Chairman Hansen
2. Roll Call – Ken Bousfield
3. Introductions – Chairman Hansen
4. Financial Assistance Committee Report
 1. SRF Applications
STATE:
 - a. Price River WID (Nathan Hall)
 2. OTHER:
5. Next Board Meeting:
Date: May 9, 2014
Time of Board Meeting: 1:30 p.m.
Location: Bear River Water Conservancy District
102 West Forest Drive
Brigham City, Utah 84302
6. Other
7. Adjourn

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Brooke Baker, Office of Human Resources, at: (801) 536-4412, TDD (801) 536-4424, at least five working days prior to the scheduled meeting.

Agenda Item

4(1)(a)

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION LOAN
PRESENTED TO THE DRINKING WATER BOARD**

APPLICANT'S REQUEST

On July 12, 2013, the Drinking Water Board authorized Price River Water Improvement District (PRWID) \$700,000 at 2.42% interest for 20 years to upgrade the existing Spring Glen distribution system in preparation for absorption of the water system into the District. Total water system improvement costs were estimated to be \$800,000 and the applicant committed to contribute \$100,000 to the project.

On March 27, 2014 PRWID notified Drinking Water staff that contractor bids came in higher than expected, and submitted a request to increase the authorized funding to \$800,000 and extend the repayment period to 25 years. The request indicates the applicant is still committed to contributing \$100,000 to the project and requested the previously authorized interest rate of 2.42%. In addition to the increase in funding, PRWID also reviewed the project and determined that three short dead end lines could be removed from the project without affecting the overall scope of the project.

STAFF COMMENTS:

Price River WID is the financial assistance applicant and intends to oversee the construction project, absorb the Spring Glen water company, and collect monthly water bills from the Spring Glen service area to provide the income stream to pay the bond. Therefore the Spring Glen financial data, number of connections and MAGI information is used in the financial analysis. The Spring Glenn conveyance agreement was executed on September 17, 2013 and a copy has been provided to the Division of Drinking Water.

Based on information from the Utah State Tax commission, the 2011 MAGI for Spring Glen is \$56,812, which is 151% of the State MAGI of \$37,718. The Spring Glen current average monthly water bill is calculated as \$34.97, or 0.74% of local MAGI. The evaluation of the new funding request, at 2.42% interest for 20 years, results in a new average water bill of \$48.30 per connection, which is 1.02% of MAGI. As shown in the table below, the applicants request results in keeping the proposed water bill approximately the same as was originally authorized.

Description	Loan Amount	Interest Rate	Term	Principal Forgiveness	Monthly Water Rate	% Local MAGI
Original Funding	\$700,000	2.42%	20 yrs	\$0	\$46.24	0.98%
Base Evaluation	\$800,000	2.42%	20 yrs	\$0	\$48.30	1.02%
Applicant Request	\$800,000	2.42%	25 yrs	\$0	\$45.74	0.97%

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board increase the authorized funding to \$800,000 at 2.42% interest for 25 years to Price River Water Improvement District, to upgrade the Spring Glen water distribution system.

IMPLEMENTATION SCHEDULE:

Application to DWB for Funding:	May 2013
DWB Funding Authorization:	July 2013
Plans Submitted:	January 2014
Plan Approval:	February 2014
Advertise for Bids:	February 2014
Bid Opening:	March 2014
Loan Closing:	May 2014
Begin Construction:	May 2014
Complete Construction:	August 2014

COST ESTIMATE:

	<u>Original Funding</u>	<u>New Request</u>
Construction (JCI bid minus removed construction):	\$ 604,000	\$ 652,646
Contingency:	\$ 70,000	\$ 71,254
Meters (PRWID):		\$ 53,100
Engineering, environmental and inspection:	\$ 90,000	\$ 90,000
Legal/Bonding/Administrative:	\$ 29,000	\$ 25,000
Loan Origination Fee	\$ 7,000	\$ 8,000
Total Cost:	\$ 800,000	\$ 900,000

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 Loan (2.42%, 25 yrs)	\$800,000	89%
Applicant Contribution	\$100,000	11%
Total Amount:	\$900,000	100%

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Price River WID - Spring Glen FUNDING SOURCE: State SRF
 COUNTY: Carbon
 PROJECT DESCRIPTION: Upgrade Spring Glen water system - waterlines, meters, fire hydrants, service connections

100 % Loan & 0 % Grant

ESTIMATED POPULATION:	750	NO. OF CONNECTIONS:	298 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$34.97 *			PROJECT TOTAL:	\$900,000
CURRENT % OF AGI:	0.74%	FINANCIAL PTS:	50	LOAN AMOUNT:	\$800,000
ESTIMATED MEDIAN AGI:	\$56,812			GRANT AMOUNT:	\$0
STATE AGI:	\$37,718			TOTAL REQUEST:	\$800,000
SYSTEM % OF STATE AGI:	151%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 4.33%		AFTER REPAYMENT PENALTY & POINTS 2.42%
<u>SYSTEM</u>				
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.33%		2.42%
REQUIRED DEBT SERVICE:	\$40,000.00	\$60,598.30		\$50,930.70
*PARTIAL COVERAGE (15%):	\$0.00	\$9,089.75		\$7,639.61
*ADD. COVERAGE AND RESERVE (10%):	\$4,000.00	\$6,059.83		\$5,093.07
ANNUAL NEW DEBT PER CONNECTION:	\$147.65	\$254.19		\$213.64
O & M + FUNDED DEPRECIATION:	\$101,000.00	\$101,000.00		\$101,000.00
OTHER DEBT + COVERAGE:	\$0.00	\$0.00		\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$7,050.00	\$0.00		\$0.00
ANNUAL EXPENSES PER CONNECTION:	\$362.58	\$338.93		\$338.93
TOTAL SYSTEM EXPENSES	\$152,050.00	\$176,747.88		\$164,663.38
TAX REVENUE:	\$0.00	\$0.00		\$0.00
<u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$44.77	\$51.68		\$48.30
% OF ADJUSTED GROSS INCOME:	0.95%	1.09%		1.02%

* Equivalent Residential Connections

R309-700-5

Price River WID - Spring Glen
Carbon
June 6, 2013

TABLE 2
FINANCIAL CONSIDERATIONS

	POINTS	
1. COST EFFECTIVENESS RATIO (SELECT ONE)		
A. Project cost \$0 to \$500 per benefitting connection	16	
B. \$501 to \$1,500	14	
C. \$1,501 to \$2,000	11	
D. \$2,001 to \$3,000	8	
E. \$3,001 to \$5,000	4	X
F. \$5,001 to \$10,000	1	
G. Over \$10,000	0	
	\$3,020	
2. CURRENT LOCAL MEDIAN ADJUSTED GROSS INCOME (AGI) (SELECT ONE)		
A. Less than 70% of State Median AGI	19	
B. 71 to 80% of State Median AGI	16	
C. 81 to 95% of State Median AGI	13	
D. 96 to 110% of State Median AGI	9	
E. 111 to 130% of State Median AGI	6	
E. 131 to 150% of State Median AGI	3	
F. Greater than 150% of State Median AGI	0	X
	151%	
3. PROJECT FUNDING CONTRIBUTED BY APPLICANT (SELECT ONE)		
a. Greater than 25% of project funds	17	
b. 15 to 25% of project funds	14	
c. 10 to 15% of project funds	11	X
c. 5 to 10% of project funds	8	
d. 2 to 5% of project funds	4	
e. Less than 2% of project funds	0	
	11.1%	
4. ABILITY TO REPAY LOAN		
4. WATER BILL (INCLUDING TAXES) AFTER PROJECT IS BUILT RELATIVE TO LOCAL MEDIAN ADJUSTED GROSS INCOME (SELECT ONE)		
a. Greater than 2.50% of local median AGI	16	
b. 2.01 to 2.50% of local median AGI	12	
c. 1.51 to 2.00% of local median AGI	8	
d. 1.01 to 1.50% of local median AGI	3	X
e. 0 to 1.00% of local median AGI	0	
	1.02%	
5. SPECIAL INCENTIVE POINTS Applicant: (Mark all that apply)		
A. has a replacement fund receiving annual deposits of 5% of the system's drinking water budget been established, and has already accumulated a minimum of 10% of said annual DW budget in this reserve fund.	5	X
B. Has a replacement fund equal to at least 15% or 20% of annual DW budget.	5	X
C. Is creating or enhancing a regionalization plan	16	X
D. Has a rate structure encouraging conservation	6	X
TOTAL POINTS FOR FINANCIAL NEED	50	
TOTAL POSSIBLE POINTS FOR FINANCIAL NEED	100	

Price River WID - Spring Glen

PROPOSED BOND REPAYMENT SCHEDULE

100 % Loan & 0 % Grant

PRINCIPAL	\$800,000.00	ANTICIPATED CLOSING DATE	01-May-14
INTEREST	2.42%	P&I PAYMT DUE	10-Jan-15
TERM	20	REVENUE BOND	
NOMIN. PAYMENT	\$50,930.70	PRINC PREPAID:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2015	\$800,000.00		\$12,906.67 *	\$0.00	\$12,906.67	\$800,000.00	0
2016	\$800,000.00		\$51,360.00	\$32,000.00	\$19,360.00	\$768,000.00	1
2017	\$768,000.00		\$50,585.60	\$32,000.00	\$18,585.60	\$736,000.00	2
2018	\$736,000.00		\$50,811.20	\$33,000.00	\$17,811.20	\$703,000.00	3
2019	\$703,000.00		\$51,012.60	\$34,000.00	\$17,012.60	\$669,000.00	4
2020	\$669,000.00		\$51,189.80	\$35,000.00	\$16,189.80	\$634,000.00	5
2021	\$634,000.00		\$51,342.80	\$36,000.00	\$15,342.80	\$598,000.00	6
2022	\$598,000.00		\$50,471.60	\$36,000.00	\$14,471.60	\$562,000.00	7
2023	\$562,000.00		\$50,600.40	\$37,000.00	\$13,600.40	\$525,000.00	8
2024	\$525,000.00		\$50,705.00	\$38,000.00	\$12,705.00	\$487,000.00	9
2025	\$487,000.00		\$50,785.40	\$39,000.00	\$11,785.40	\$448,000.00	10
2026	\$448,000.00		\$50,841.60	\$40,000.00	\$10,841.60	\$408,000.00	11
2027	\$408,000.00		\$50,873.60	\$41,000.00	\$9,873.60	\$367,000.00	12
2028	\$367,000.00		\$50,881.40	\$42,000.00	\$8,881.40	\$325,000.00	13
2029	\$325,000.00		\$50,865.00	\$43,000.00	\$7,865.00	\$282,000.00	14
2030	\$282,000.00		\$50,824.40	\$44,000.00	\$6,824.40	\$238,000.00	15
2031	\$238,000.00		\$50,759.60	\$45,000.00	\$5,759.60	\$193,000.00	16
2032	\$193,000.00		\$51,670.60	\$47,000.00	\$4,670.60	\$146,000.00	17
2033	\$146,000.00		\$51,533.20	\$48,000.00	\$3,533.20	\$98,000.00	18
2034	\$98,000.00		\$50,371.60	\$48,000.00	\$2,371.60	\$50,000.00	19
2035	\$50,000.00		\$51,210.00	\$50,000.00	\$1,210.00	\$0.00	20
			\$1,031,602.07	\$800,000.00	\$231,602.07		

*Interest Only Payment

Price River WID - Spring Glen

DWB Loan Terms

Local Share (total):	\$	100,000
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	-
DWB Loan Amount:	\$	800,000
DWB Loan Term:		20
DWB Loan Interest:		2.42%
DWB Loan Payment:	\$	50,931

DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$	907,000
Existing Facility O&M Expense:	\$	101,000
Proposed Facility O&M Expense:	\$	101,000
O&M Inflation Factor:		1.0%
Existing Debt Service:	\$	-

DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		298
Projected Growth Rate:		1.0%
Impact Fee/Connection Fee:	\$	-
Current Monthly User Charge:	\$	32.72
Needed Average Monthly User Charge:	\$	46.05

DW Revenue Projections

Yr	Growth Rate (%)	Annual Growth (ERC)	Total Users (ERC)	User Charge Revenue	Impact Fee Revenue	Property Tax Revenue	Total Revenue	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	Existing DW Debt Service	O&M Expenses	Total Expenses	Debt Service Ratio
0	1.0%	3	298	117,000	-	-	117,000	-	-	800,000	-	-	-	101,000	101,000	-
1	1.0%	3	301	166,321	-	-	166,321	51,360	5,093	768,000	32,000	19,360	-	101,000	157,453	1.27
2	1.0%	3	304	167,979	-	-	167,979	50,586	5,093	736,000	32,000	18,586	-	102,010	157,689	1.30
3	1.0%	3	307	169,636	-	-	169,636	50,811	5,093	703,000	33,000	17,811	-	103,030	158,934	1.31
4	1.0%	3	310	171,294	-	-	171,294	51,013	5,093	669,000	34,000	17,013	-	104,060	160,166	1.32
5	1.0%	3	313	172,952	-	-	172,952	51,190	5,093	634,000	35,000	16,190	-	105,101	161,384	1.33
6	1.0%	3	316	174,609	-	-	174,609	51,343	5,093	598,000	36,000	15,343	-	106,152	162,588	1.33
7	1.0%	3	319	176,267	-	-	176,267	50,472	5,093	562,000	36,000	14,472	-	107,214	162,778	1.37
8	1.0%	4	323	178,477	-	-	178,477	50,600	5,093	525,000	37,000	13,600	-	108,286	163,979	1.39
9	1.0%	3	326	180,135	-	-	180,135	50,705	5,093	487,000	38,000	12,705	-	109,369	165,167	1.40
10	1.0%	3	329	181,793	-	-	181,793	50,785	5,093	448,000	39,000	11,785	-	110,462	166,341	1.40
11	1.0%	3	332	183,450	-	-	183,450	50,842		408,000	40,000	10,842	-	111,567	162,408	1.41
12	1.0%	4	336	185,661	-	-	185,661	50,874		367,000	41,000	9,874	-	112,683	163,556	1.43
13	1.0%	3	339	187,318	-	-	187,318	50,881		325,000	42,000	8,881	-	113,809	164,691	1.44
14	1.0%	4	343	189,529	-	-	189,529	50,865		282,000	43,000	7,865	-	114,947	165,812	1.47
15	1.0%	3	346	191,186	-	-	191,186	50,824		238,000	44,000	6,824	-	116,097	166,921	1.48
16	1.0%	3	349	192,844	-	-	192,844	50,760		193,000	45,000	5,760	-	117,258	168,017	1.49
17	1.0%	4	353	195,054	-	-	195,054	51,671		146,000	47,000	4,671	-	118,430	170,101	1.48
18	1.0%	3	356	196,712	-	-	196,712	51,533		98,000	48,000	3,533	-	119,615	171,148	1.50
19	1.0%	4	360	198,922	-	-	198,922	50,372		50,000	48,000	2,372	-	120,811	171,182	1.55
20	1.0%	4	364	201,132	-	-	201,132	51,210		-	50,000	1,210	-	122,019	173,229	1.54

Total Paid in Debt Service = 800,000 218,695

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Price River WID - Spring Glen FUNDING SOURCE: State SRF
 COUNTY: Carbon
 PROJECT DESCRIPTION: Upgrade Spring Glen water system - waterlines, meters, fire hydrants, service connections

100 % Loan & 0 % Grant

ESTIMATED POPULATION:	750	NO. OF CONNECTIONS:	298 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$34.97 *			PROJECT TOTAL:	\$900,000
CURRENT % OF AGI:	0.74%	FINANCIAL PTS:	47	LOAN AMOUNT:	\$800,000
ESTIMATED MEDIAN AGI:	\$56,812			GRANT AMOUNT:	\$0
STATE AGI:	\$37,718			TOTAL REQUEST:	\$800,000
SYSTEM % OF STATE AGI:	151%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 4.33%		AFTER REPAYMENT PENALTY & POINTS 2.42%
<u>SYSTEM</u>				
ASSUMED LENGTH OF DEBT, YRS:	25	25		25
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.33%		2.42%
REQUIRED DEBT SERVICE:	\$32,000.00	\$53,011.20		\$43,024.40
*PARTIAL COVERAGE (15%):	\$0.00	\$7,951.68		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$3,200.00	\$5,301.12		\$4,302.44
ANNUAL NEW DEBT PER CONNECTION:	\$118.12	\$222.36		\$158.81
O & M + FUNDED DEPRECIATION:	\$101,000.00	\$101,000.00		\$101,000.00
OTHER DEBT + COVERAGE:	\$0.00	\$0.00		\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$6,650.00	\$0.00		\$7,201.22
ANNUAL EXPENSES PER CONNECTION:	\$361.24	\$338.93		\$363.09
TOTAL SYSTEM EXPENSES	\$142,850.00	\$167,263.99		\$155,528.07
TAX REVENUE:	\$0.00	\$0.00		\$0.00
<u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$42.20	\$49.02		\$45.74
% OF ADJUSTED GROSS INCOME:	0.89%	1.04%		0.97%

* Equivalent Residential Connections

R309-700-5

Price River WID - Spring Glen
Carbon
June 6, 2013

TABLE 2
FINANCIAL CONSIDERATIONS

	POINTS	
1. COST EFFECTIVENESS RATIO (SELECT ONE)		
A. Project cost \$0 to \$500 per benefitting connection	16	
B. \$501 to \$1,500	14	
C. \$1,501 to \$2,000	11	
D. \$2,001 to \$3,000	8	
E. \$3,001 to \$5,000	4	X
F. \$5,001 to \$10,000	1	
G. Over \$10,000	0	
	\$3,020	
2. CURRENT LOCAL MEDIAN ADJUSTED GROSS INCOME (AGI) (SELECT ONE)		
A. Less than 70% of State Median AGI	19	
B. 71 to 80% of State Median AGI	16	
C. 81 to 95% of State Median AGI	13	
D. 96 to 110% of State Median AGI	9	
E. 111 to 130% of State Median AGI	6	
E. 131 to 150% of State Median AGI	3	
F. Greater than 150% of State Median AGI	0	X
	151%	
3. PROJECT FUNDING CONTRIBUTED BY APPLICANT (SELECT ONE)		
a. Greater than 25% of project funds	17	
b. 15 to 25% of project funds	14	
c. 10 to 15% of project funds	11	X
c. 5 to 10% of project funds	8	
d. 2 to 5% of project funds	4	
e. Less than 2% of project funds	0	
	11.1%	
4. ABILITY TO REPAY LOAN		
4. WATER BILL (INCLUDING TAXES) AFTER PROJECT IS BUILT RELATIVE TO LOCAL MEDIAN ADJUSTED GROSS INCOME (SELECT ONE)		
a. Greater than 2.50% of local median AGI	16	
b. 2.01 to 2.50% of local median AGI	12	
c. 1.51 to 2.00% of local median AGI	8	
d. 1.01 to 1.50% of local median AGI	3	
e. 0 to 1.00% of local median AGI	0	X
	0.97%	
5. SPECIAL INCENTIVE POINTS Applicant: (Mark all that apply)		
A. has a replacement fund receiving annual deposits of 5% of the system's drinking water budget been established, and has already accumulated a minimum of 10% of said annual DW budget in this reserve fund.	5	X
B. Has a replacement fund equal to at least 15% or 20% of annual DW budget.	5	X
C. Is creating or enhancing a regionalization plan	16	X
D. Has a rate structure encouraging conservation	6	X
TOTAL POINTS FOR FINANCIAL NEED	47	
TOTAL POSSIBLE POINTS FOR FINANCIAL NEED	100	

Price River WID - Spring Glen

PROPOSED BOND REPAYMENT SCHEDULE

100 % Loan & 0 % Grant

PRINCIPAL	\$800,000.00	ANTICIPATED CLOSING DATE	01-May-14
INTEREST	2.42%	P&I PAYMT DUE	10-Jan-15
TERM	25	REVENUE BOND	
NOMIN. PAYMENT	\$43,024.40	PRINC PREPAID:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2015	\$800,000.00		\$12,906.67 *	\$0.00	\$12,906.67	\$800,000.00	0
2016	\$800,000.00		\$43,360.00	\$24,000.00	\$19,360.00	\$776,000.00	1
2017	\$776,000.00		\$42,779.20	\$24,000.00	\$18,779.20	\$752,000.00	2
2018	\$752,000.00		\$43,198.40	\$25,000.00	\$18,198.40	\$727,000.00	3
2019	\$727,000.00		\$42,593.40	\$25,000.00	\$17,593.40	\$702,000.00	4
2020	\$702,000.00		\$42,988.40	\$26,000.00	\$16,988.40	\$676,000.00	5
2021	\$676,000.00		\$43,359.20	\$27,000.00	\$16,359.20	\$649,000.00	6
2022	\$649,000.00		\$42,705.80	\$27,000.00	\$15,705.80	\$622,000.00	7
2023	\$622,000.00		\$43,052.40	\$28,000.00	\$15,052.40	\$594,000.00	8
2024	\$594,000.00		\$43,374.80	\$29,000.00	\$14,374.80	\$565,000.00	9
2025	\$565,000.00		\$42,673.00	\$29,000.00	\$13,673.00	\$536,000.00	10
2026	\$536,000.00		\$42,971.20	\$30,000.00	\$12,971.20	\$506,000.00	11
2027	\$506,000.00		\$43,245.20	\$31,000.00	\$12,245.20	\$475,000.00	12
2028	\$475,000.00		\$43,495.00	\$32,000.00	\$11,495.00	\$443,000.00	13
2029	\$443,000.00		\$42,720.60	\$32,000.00	\$10,720.60	\$411,000.00	14
2030	\$411,000.00		\$42,946.20	\$33,000.00	\$9,946.20	\$378,000.00	15
2031	\$378,000.00		\$43,147.60	\$34,000.00	\$9,147.60	\$344,000.00	16
2032	\$344,000.00		\$43,324.80	\$35,000.00	\$8,324.80	\$309,000.00	17
2033	\$309,000.00		\$42,477.80	\$35,000.00	\$7,477.80	\$274,000.00	18
2034	\$274,000.00		\$42,630.80	\$36,000.00	\$6,630.80	\$238,000.00	19
2035	\$238,000.00		\$42,759.60	\$37,000.00	\$5,759.60	\$201,000.00	20
2036	\$201,000.00		\$42,864.20	\$38,000.00	\$4,864.20	\$163,000.00	21
2037	\$163,000.00		\$42,944.60	\$39,000.00	\$3,944.60	\$124,000.00	22
2038	\$124,000.00		\$43,000.80	\$40,000.00	\$3,000.80	\$84,000.00	23
2039	\$84,000.00		\$43,032.80	\$41,000.00	\$2,032.80	\$43,000.00	24
2040	\$43,000.00		\$44,040.60	\$43,000.00	\$1,040.60	\$0.00	25
			\$1,088,593.07	\$800,000.00	\$288,593.07		

*Interest Only Payment

Price River WID - Spring Glen

DWB Loan Terms

Local Share (total):	\$	100,000
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	-
DWB Loan Amount:	\$	800,000
DWB Loan Term:		25
DWB Loan Interest:		2.42%
DWB Loan Payment:	\$	43,024

DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$	907,000
Existing Facility O&M Expense:	\$	101,000
Proposed Facility O&M Expense:	\$	101,000
O&M Inflation Factor:		1.0%
Existing Debt Service:	\$	-

DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		298
Projected Growth Rate:		1.0%
Impact Fee/Connection Fee:	\$	-
Current Monthly User Charge:	\$	32.72
Needed Average Monthly User Charge:	\$	43.49

DW Revenue Projections

Yr	Growth Rate (%)	Annual Growth (ERC)	Total Users (ERC)	User Charge Revenue	Impact Fee Revenue	Property Tax Revenue	Total Revenue	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	Existing DW Debt Service	O&M Expenses	Total Expenses	Debt Service Ratio
0	1.0%	3	298	117,000	-	-	117,000	-	-	800,000	-	-	-	101,000	101,000	-
1	1.0%	3	301	157,094	-	-	157,094	43,360	4,302	776,000	24,000	19,360	-	101,000	148,662	1.29
2	1.0%	3	304	158,660	-	-	158,660	42,779	4,302	752,000	24,000	18,779	-	102,010	149,092	1.32
3	1.0%	3	307	160,225	-	-	160,225	43,198	4,302	727,000	25,000	18,198	-	103,030	150,531	1.32
4	1.0%	3	310	161,791	-	-	161,791	42,593	4,302	702,000	25,000	17,593	-	104,060	150,956	1.36
5	1.0%	3	313	163,357	-	-	163,357	42,988	4,302	676,000	26,000	16,988	-	105,101	152,392	1.36
6	1.0%	3	316	164,922	-	-	164,922	43,359	4,302	649,000	27,000	16,359	-	106,152	153,814	1.36
7	1.0%	3	319	166,488	-	-	166,488	42,706	4,302	622,000	27,000	15,706	-	107,214	154,222	1.39
8	1.0%	4	323	168,576	-	-	168,576	43,052	4,302	594,000	28,000	15,052	-	108,286	155,641	1.40
9	1.0%	3	326	170,141	-	-	170,141	43,375	4,302	565,000	29,000	14,375	-	109,369	157,046	1.40
10	1.0%	3	329	171,707	-	-	171,707	42,673	4,302	536,000	29,000	13,673	-	110,462	157,438	1.44
11	1.0%	3	332	173,273	-	-	173,273	42,971		506,000	30,000	12,971	-	111,567	154,538	1.44
12	1.0%	4	336	175,361	-	-	175,361	43,245		475,000	31,000	12,245	-	112,683	155,928	1.45
13	1.0%	3	339	176,926	-	-	176,926	43,495		443,000	32,000	11,495	-	113,809	157,304	1.45
14	1.0%	4	343	179,014	-	-	179,014	42,721		411,000	32,000	10,721	-	114,947	157,668	1.50
15	1.0%	3	346	180,580	-	-	180,580	42,946		378,000	33,000	9,946	-	116,097	159,043	1.50
16	1.0%	3	349	182,145	-	-	182,145	43,148		344,000	34,000	9,148	-	117,258	160,405	1.50
17	1.0%	4	353	184,233	-	-	184,233	43,325		309,000	35,000	8,325	-	118,430	161,755	1.52
18	1.0%	3	356	185,799	-	-	185,799	42,478		274,000	35,000	7,478	-	119,615	162,093	1.56
19	1.0%	4	360	187,886	-	-	187,886	42,631		238,000	36,000	6,631	-	120,811	163,442	1.57
20	1.0%	4	364	189,974	-	-	189,974	42,760		201,000	37,000	5,760	-	122,019	164,779	1.59
21	1.0%	3	367	191,540	-	-	191,540	42,864		163,000	38,000	4,864	-	123,239	166,103	1.59
22	1.0%	4	371	193,627	-	-	193,627	42,945		124,000	39,000	3,945	-	124,472	167,416	1.61
23	1.0%	4	375	195,715	-	-	195,715	43,001		84,000	40,000	3,001	-	125,716	168,717	1.63
24	1.0%	3	378	197,281	-	-	197,281	43,033		43,000	41,000	2,033	-	126,973	170,006	1.63
25	1.0%	4	382	199,368	-	-	199,368	44,041		-	43,000	1,041	-	128,243	172,284	1.61

Total Paid in Debt Service = 800,000 275,686



PRICE RIVER WATER
IMPROVEMENT DISTRICT

P.O. Box 903
265 South Fairgrounds Road
Price, Utah 84501
Telephone (435) 637-6350
FAX (435) 637-6374

March 27, 2014

Utah Division of Drinking Water
Drinking Water Board of Trustees
Attn: Paul Hansen, P.E., Chair
P.O. Box 144830
Salt Lake City, Utah 84114-4830

RE: Application for Water System Upgrade for Spring Glen Water to Price River
Water Improvement District, System # 04020, File #09482, SRF #3S188

Dear Board of Trustees,

The Price River Water Improvement District (District) has been working with the Spring Glen Water Company (Company) to upgrade their system to meet District standards so that the system can then be taken over for ownership, operation, and maintenance by the District. This project has received previous approval from this Board as well as the Division of Drinking Water.

Upon receipt of construction bids, which were opened on March 25, 2014, it became apparent that early estimations of cost of construction were low. The Company, District, and Creamer & Noble Engineers have met to discuss if and what items might be deleted from the project to bring the total in line with approved funding, but have determined that the costs are too much to absorb within the project at the peril of an inferior system if too many deductions are made. For this reason, the Company and the District are requesting that the Drinking Water Board entertain our request for additional funding and a modification to the repayment plan for this project.

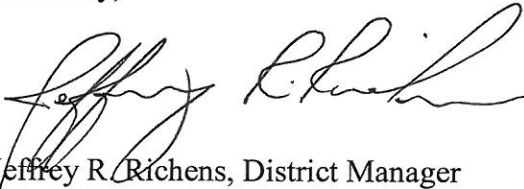
Our original request that was approved on July 12, 2013 was for \$700,000.00 at 2.42% interest for 20 years with the Company contributing \$100,000.00. The new request is for \$800,000.00 at 2.42% interest for 25 years with the Company contributing \$100,000.00. As you can see, this increases the amount of money loaned and lengthens the term for payment. We feel this is necessary to accomplish most of the desired results of the project without being an undue burden on the residents of the Spring Glen area that are least able to absorb the additional amounts required as payment.



We are also requesting that the advisory committee to the Drinking Water Board and the Board expedite the review and approval process as we have a contractor waiting to receive a notice to proceed so that he can order materials and schedule crews to begin and finish the project in a timely manner.

Lastly, the Company and the District wish to thank the Staff of the Division of Drinking Water, the review committee, and the members of the Board for their assistance in all aspects of providing safe and affordable drinking water to our residents and for entertaining our request. Please contact us at your earliest convenience.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jeffrey R. Richens". The signature is fluid and cursive, with the first name "Jeffrey" being more prominent and the last name "Richens" following in a similar style.

Jeffrey R. Richens, District Manager
Price River Water Improvement District

Enclosures

cc: Keith Cox, President
Spring Glen Water Company

Steve Layton, Project Engineer
Creamer & Noble Engineers



CREAMER & NOBLE ENGINEERS

Engineer's Preliminary Estimate

PROJECT SPRING GLEN WATER SYSTEM

Project No. 02160

IMPROVEMENT PROJECT

Date MARCH 27, 2014

OWNER PRWID

Sheet 3 OF 4

Estimate by SEL

Item No.	ITEM	Unit	Quantity	Unit Price	Amount
	CONSTRUCTION (ICI BID)				717,226.87
	PRWID METER IMPROVEMENT				53,100.00
	WORK				
	ENGINEERING DESIGN AND				90,000.00
	CONSTRUCTION MANAGEMENT				
	ADMINISTRATION				25,000.00
	CONTINGENCY				79,253.52
	1460 WEST				< 20,292.23 >
	1400 WEST				< 18,989.19 >
	1930 WEST				< 25,298.97 >
				TOTAL	900,000.00



P.O. Box 903
265 South Fairgrounds Road
Price, Utah 84501
Telephone (435) 637-6350
FAX (435) 637-6374

April 3, 2014

Utah Division of Drinking Water
Drinking Water Board of Trustees
Attn: Paul Hansen, P.E., Chair
P.O. Box 144830
Salt Lake City, Utah 84114-4830

RE: Request for an Emergency Meeting of the Drinking Water Board to Consider and Approve
Supplementary Request for Funding for SRF#3S188


Dear Board of Trustees,

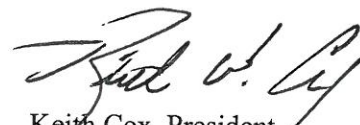
The Price River Water Improvement District (District) has been working with the Spring Glen Water Company (Company) to upgrade their culinary water system to meet District standards enabling the Company to be absorbed into the District service area and taken over for ownership, operation, and maintenance. This project has received previous approval from this Board as well as the Division of Drinking Water. Additionally, it is our understanding that the request for supplemental funding and an extension of repayment has been recommended for approval by the Financial Assistance Committee (FAC) which advises the Board.

As we have an approved project, a positive recommendation from the FAC, and a contractor that is waiting for the "Notice of Award" and "Notice to Proceed" which cannot be given until final approvals are granted by the Board; we are requesting that an emergency meeting of the Board be held to give the necessary approvals so this project may move forward in a timely manner. We are constrained by the regular meeting schedule of the Board, by the contractor's expiration of bid time limit, and by the requirements to advertise if the District will need to schedule a special meeting as well. All of these elements must come together or we stand to lose this construction season, contractor's bid, and supplies pricing. We recognize this would be a significant inconvenience to the Board and would avail ourselves to your schedule to meet with the Board to answer questions or produce documentation.

We appreciate your consideration in this matter and also express our appreciation and that of the Company for the assistance of the Division of Drinking Water and the Board in their assistance in this project.

Sincerely,


Jeffrey R. Richens, District Manager
Price River Water Improvement District


Keith Cox, President
Spring Glen Water Company

