

Drinking Water Board Packet

November 18, 2016

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
Kenneth H. Bousfield, P.E.
Director

Drinking Water Board
Paul Hansen, P.E., *Chair*
Betty Naylor, *Vice-Chair*
Brett Chynoweth
Tage Flint
Roger G. Fridal
Alan Matheson
David L. Sakrison
David Stevens, Ph.D.
Mark Stevens, M.D.
Kenneth H. Bousfield, P.E.
Executive Secretary

DRINKING WATER BOARD MEETING

November 18, 2016 – 1:00 pm

Multi Agency State Office Building – Room 1015
195 North 1950 West
Salt Lake City, Utah 84116

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

1. Call to Order – Chairman Hansen
2. Roll Call – Ken Bousfield
3. Approval of the Minutes:
 - A. August 30, 2016
 - B. September 14, 2016
4. Financial Assistance Committee Report
 - A. Status Report – Michael Grange
 - B. Project Priority List – Michael Grange
 - C. SRF Applications
 - i. STATE:
 - a) Eagle Mountain City - Rich Peterson
 - ii. FEDERAL:
 - a) Lizard Bench – Julie Cobleigh
 - b) Hanksville Town – Julie Cobleigh
 - c) Bridge Hollow Water Association – Rich Peterson
 - iii. Other:
5. Authorization – Adoption of Rule Amendments:
 - A. R309-105-15, General Responsibilities of PWS: Report Submittal – Bernie Clark
 - B. R309-400-12, Water System Rating Criteria Reporting and Record Maintenance Issues – Bernie Clark
6. Authorization – Changes to Proposed Rules:
 - A. R309-535-5, Miscellaneous Treatment Methods: Fluoridation – Bernie Clark

B. R309-540, Facility Design and Operation Pumping Facilities – Bernie Clark

7. Discussion – After-the-fact Review Policy – Ying-Ying Macauley

8. Rural Water Association Report – Dale Pierson

9. Directors Report

A. Drinking Water Boards' 2017 Meeting Schedule

B. Cross-Connection Control Commission Appointment

C. ASDWA Annual Conference – October 17 – 20, 2016

D.

10. Other

11. Next Board Meeting:

Date: Friday, January 13, 2017

Time: 1:00 pm

Place: Multi Agency State Office Building

Room 1015

195 North 1950 West

Salt Lake City, Utah 84116

12. Adjourn

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Dana Powers, Office of Human Resources, at: (801) 499-2117, TDD (801) 903-3978, at least five working days prior to the scheduled meeting.

Agenda Item

3(A)



State of Utah

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Executive Secretary

DRINKING WATER BOARD MEETING

August 30, 2016 – 1:30 pm

Davis Conference Center – Zephyr Room

1651 North 700 West

Layton, Utah 84041

DRAFT MINUTES

1. Call to Order – Chairman Hansen

Paul Hansen, Board Chairman, called the meeting to order at 1:30 pm.

2. Roll Call – Ken Bousfield

Board Members present: Paul Hansen, Betty Naylor, Brett Chynoweth, Tage Flint, Roger Fridal, Brad Johnson, and David Sakrison.

Board Members excused: David Stevens and Mark Stevens

Division Staff present: Ken Bousfield, Michael Grange, Ying-Ying Macauley, Julie Cobleigh, Bernie Clark, Heather Bobb, and Marianne Booth.

3. Approval of the Minutes:

A. July 8, 2016

- Tage Flint moved to approve the minutes. Betty Naylor seconded. The motion was carried unanimously by the Board.

B. August 4, 2016

- Betty Naylor moved to approve the minutes. Roger Fridal 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 there is currently \$2.3 million in the State SRF fund and over the course of the next year the Division is expecting an additional \$4.5 million to come into the fund, for a total of approximately \$6.8 million to be available for funding of projects. Michael then called the Board's attention to the State Hardship fund, which currently has \$885,000, however between the already authorized grants and the incoming interest payments the fund balance will be -\$30,000 through July 31, 2017. He then updated the Board on Huntsville's planning loan that was authorized in September of 2014.

Michael then reported that there is currently just over \$16 million in the Federal SRF fund and over the course of the next year the Division is expecting an additional \$18 million to come into the fund, for a total of approximately \$34 million to be available for the funding of projects. Michael also called the Board's attention to the Federal Hardship fund, noting that there is currently \$2.7 million, but between the already authorized grants and the incoming interest payments the fund balance will be -\$600,000 through August 1, 2017, though he did note that there is still principal forgiveness allocation available. He then updated the Board on the progress of the Federal projects.

B. Project Priority List – Michael Grange

Michael Grange proposed that the following two new projects be added to the project priority list:

- Boulder Farmstead with 35.7 points and a project consisting of completion of their 2014 water line project.
- San Juan Spanish Valley with 25.3 points and a project consisting of a new water system.

Division Staff recommends that the Board approve the updated project priority list.

- David Sakrison moved to approve the updated project priority list. Roger Fridal seconded. The motion was carried unanimously by the Board.

C. SRF Applications

i. STATE:

ii. FEDERAL:

a) Boulder Farmstead – Michael Grange

Representing Boulder Farmstead (Boulder) was Daniel Hall of Jones & DeMille Engineering.

Michael Grange informed the Board that Boulder Farmstead is requesting \$35,000 in financial assistance in order to complete the construction their water line project which was authorized on May 9, 2014. The remaining portions of the project are final road grading, road repairs, a sump pump for one PRV vault, and remaining construction management costs. The local MAGI for Boulder is \$22,697, which is 54% of the State MAGI. Their water bill after funding is expected to be 1.78% of the local MAGI, therefore they do qualify for additional

subsidization. The Financial Assistance Committee (FAC) recommends that the Board authorize a \$35,000 construction loan with \$35,000 in principal forgiveness to Boulder Farmstead.

There was discussion between the Board, Division Staff, and Daniel that the road work is already completed and that although road work has never been listed as a line item for funding before it is authorized under the SRF program as part of the construction process.

- Paul Hansen moved to authorize a \$35,000 construction with \$35,000 in principal forgiveness to Boulder Farmstead for completion of their 2014 water line project. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

b) Wales – Michael Grange

Representing Wales was Keith Jensen, Mayor; and Justin Atkinson of Sunrise Engineering.

Michael Grange informed the Board that Wales is requesting \$253,000 in financial assistance to drill, equip, and connect a new well to their existing distribution system; that Wales will also contribute \$13,327 toward the estimated total project cost of \$266,327; and Wales is requesting that this application be given Emergency status as they have lost use of all but one well for drinking water purposes. Michael also noted that Wales considered several solutions and it has determined that a new well is the best option. The local MAGI for Wales is \$37,642, which is 90% of the State MAGI. Their water bill after funding is expected to be \$61.74, or 1.97% of the local MAGI, therefore they do qualify for additional subsidization. Due to the Emergency status, the FAC did not review this project; however Division Staff recommends that the Board authorize a \$253,000 construction loan at 0% interest for 30 years with \$126,000 in principal forgiveness to Wales Town.

There was discussion between the Board, Division Staff, and those representing Wales regarding the availability of the Town's capital facilities replacement funding to drill and equip the well, ongoing operating and maintenance costs for the new well, and the location of the well.

- Tage Flint moved to authorize a \$253,000 construction loan at 0% interest for 30 years with \$126,000 in principal forgiveness to Wales Town. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

c) San Juan Spanish Valley – Julie Cobleigh

Representing San Juan Spanish Valley (San Juan) was Kelly Pehrson, County Administrator; and Ryan Jolley of Jones & DeMille Engineering.

Julie Cobleigh, Environmental Engineer with the Division, informed the Board that San Juan is requesting \$2,550,000 in financial assistance to develop a new culinary water system which will include a new well, a backup well, a 500,000 gallon storage tank, and distribution lines. The total project cost is estimated to be \$5.1 million however San Juan has requested the other half of the funding through the Community Impact Board (CIB). Julie then informed the Board that San Juan recently formed a special service district, has looked at other options, such as connecting with Grand Water Sewer and Service Agency, and determined the best option was to construct a stand-alone culinary public water system for the community. The local MAGI for San Juan is \$31,965, which is 76% of the State MAGI. The water bill after construction based

on funding and estimated operating and maintenance costs is expected to be \$121 or 4.56% of local MAGI; therefore they do qualify for additional subsidization. The FAC recommends that the Board authorize a loan of \$2,550,000 at 0% interest for 30 years with \$765,000 in principal forgiveness to San Juan Spanish Valley.

There was discussion between the Board, Division Staff, and those representing San Juan regarding public support for this project, how the estimated water bill was calculated, as well as the funding options and how they correlate to the CIB funding and the maximum principal forgiveness amount of 30%.

- David Sakrison moved to authorize a \$2,550,000 loan at 0% interest for 30 years with \$765,000 in principal forgiveness to San Juan Spanish Valley Special Service District. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

iii. Other:

5. Authorization to Begin Rulemaking to Amend R309-105-15 and R309-400-12 – Ken Bousfield

Ken Bousfield, Division Director of DDW, informed the Board that although they had previously authorized the Division to begin rulemaking on July 8, 2016, Division Staff is proposing additional changes to the language in order to be consistent with Legislative language in House Bill 305. Division Staff recommends that the Board authorize them to proceed with the rule making process by filing with the State Division of Administrative Rules (DAR).

- Brett Chynoweth moved to authorize the Division to proceed with the rule making process for R309-105 and R309-400 by filing with the State Division of Administrative Rules. Tague Flint seconded. The motion was carried unanimously by the Board.

6. Authorization to Begin Rulemaking to Amend R309-535-5, *Fluoridation* – Bernie Clark

Bernie Clark, Environmental Scientist with the Division, reported that R309-535-5, *Fluoridation*, does not require water systems to fluoridate or set a minimum fluoride level, rather it imposes design and construction requirements for those systems that do fluoridate the drinking water. Bernie informed the Board that Division Staff made several changes to the rule, including deleting portions of the existing rule, adding new portions, and language changes, as well as re-organizing it into 4 sections that deal with general requirements and fluoride type specific requirements. Bernie noted that that if given authorization the anticipated schedule would be filing with DAR by September 15, 2016, publishing the rule in the Utah State Bulletin on October 1, 2016, to be followed by a formal 30 day public comment period, and barring any comments or changes, returning to the Board for adoption in November.

It was discussed between the Board and Division Staff that Salt Lake and Davis counties require their water systems to fluoridate, that federal facilities such as military bases are required to fluoridate and that the cities of Brigham and Helper also fluoridate. It was also discussed and noted that the changes to this rule will not impact already existing water systems, but will require future installations to have a secondary containment for their fluoridation treatment as this is a construction standard.

The following change was made to the proposed language:

- R309-535-5. Fluoridation. Page 2, 2nd underlined sentence.

A public water system that ~~chooses to add~~ adds fluoride to drinking water shall comply with the fluoridation facility design and construction requirements of this rule.

- Betty Naylor moved to authorize the Division to proceed with the rule making process to amend R309-535-5 and to file the proposed rule amendment for publication in the Utah State Bulletin on October 1, 2016 with the noted language change. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

8. Directors Report

A. Splitting of the Rules Section into two Sections

Ken Bousfield reported on a modification of the existing Rules Section of the Division to be two new sections, Rules Implementation and Rules Enforcement. He then explained that the Rules sections deal with implementing and enforcing 13 EPA general rules, based on 12 different factors and 12 different monitoring frequencies which makes for a total of 1,872 potential schedules to keep track of.

September 7, 2016 meeting with the Governor's Office of Management and Budget

Ken also reported that on September 7, 2016, select members of the Division will meet with the Governor's Office of Management and Budget to discuss the options available to the Division to respond to the Legislative Audits requirements dealing with source capacity regulations.

7. Rural Water Association Report – Dale Pierson

Curt Ludvigson, Development Specialist with the Rural Water Association of Utah (RWAU), thanked the Board for being a part of the Fall Conference and apologized for the construction in the adjoining room. He then reported that the non-public drinking water rule, as it's being called, is going before the Six County, or Central Utah Health Department Board, in Richfield for adoption in October. Curt also noted that once passed he will continue to work with other counties to get this adopted as well.

Dale Pierson, Executive Director of RWAU, also thanked the Board for their participation in the Fall Conference and noted that the contract process for Brian Pattee, Compliance Circuit Writer; and Terry Smith, Management Specialist, had been completed.

9. Other

Michael Grange informed the Board that the Division had recently received a request to hold an Emergency teleconference meeting for Winchester Hills as their well has failed. He noted that they are requesting just over \$600,000 in financial assistance and have submitted an incomplete application, however, once a complete application is submitted and with the Boards approval he will set up the Emergency teleconference.

- The Board was amenable to an Emergency Teleconference meeting for Winchester Hills to be scheduled in 2 to 3 weeks.

10. Next Board Meeting:

Date: Friday, November 18, 2016
Time: 1:00 pm
Place: Multi Agency State Office Building
Room 1015
195 North 1950 West
Salt Lake City, Utah 84116

11. Adjourn

Paul Hansen, Board Chairman, recommended that the meeting be adjourned.

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

The meeting adjourned at 2:41 pm.

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Dana Powers, Office of Human Resources, at: (801) 499-2117, TDD (801) 903-3978, at least five working days prior to the scheduled meeting.

Agenda Item

3(B)



State of Utah

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Department of Environmental Quality

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Mark Stevens, M.D.
Kenneth H. Bousfield, P.E.
Executive Secretary

DRINKING WATER BOARD MEETING

September 14, 2016 – 3:00 pm

Multi Agency State Office Building
Arches South Conference Room - 3116
195 North 1950 West
Salt Lake City, Utah 84116
Emergency Teleconference

DRAFT MINUTES

1. Call to Order – Chairman Hansen

Paul Hansen, Board Chairman, called the meeting to order at 3:11 pm.

2. Roll Call – Michael Grange

Board Members present: Paul Hansen, Brett Chynoweth, Tage Flint, Roger Fridal and David Stevens.

Board Members excused: Betty Naylor, Alan Matheson, David Sakrison, and Mark Stevens.

Division Staff present: Michael Grange, Rich Peterson, Heather Bobb, and Marianne Booth.

3. Financial Assistance Committee Report

A. SRF Applications

i. FEDERAL:

a) Winchester Hills Water Company – Michael Grange

Michael Grange, Construction Assistance Section Manager with the Division of Drinking Water (the Division, DDW) informed the Board that the Winchester Hills Water Company

(Winchester) is requesting \$427,000 in financial assistance in order to drill, equip, and connect a new well to their existing distribution system, that Winchester will also contribute \$197,030 toward the estimated total project cost of \$624,030, and Winchester is requesting that this application be given Emergency status as their 36 year old well has collapsed. Michael also noted that Winchester considered several options and it was determined that a new well would provide the best long term solution for them. The local MAGI for Winchester is \$31,144, which is 74% of the State MAGI. Their water bill after funding is expected to be \$68.75, or 2.65% of the local MAGI, therefore they do qualify for additional subsidization. Due to the Emergency status, the FAC did not review this project, however Division Staff recommends that the Board authorized a \$427,000 construction loan at 0% interest for 30 years with \$213,000 in principal forgiveness to Winchester.

There was discussion between the Board and Division Staff regarding the different options and the minimal differences between them. It was questioned if Winchester might prefer a 20 year loan to a 30 year loan, and noted that it was possible for the Board to authorize both and let Winchester make that choice before loan closing.

- David Stevens moved to authorize the following two options:
 - A \$427,000 construction loan at 0% interest for 20 years with \$213,000 in principal forgiveness, and
 - A \$427,000 construction loan at 0% interest for 30 years with \$213,000 in principal forgiveness,

On the basis that Winchester chooses one or the other before loan closing.

Roger Fridal seconded. The motion was carried unanimously by the Board.

ii. Other:

4. Other

5. Next Board Meeting:

Date: Friday, November 18, 2016
Time: 1:00 pm
Place: Multi Agency State Office Building
Room 1015
195 North 1950 West
Salt Lake City, Utah 84116

6. Adjourn

The meeting adjourned at 3:22 pm.

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Dana Powers, Office of Human Resources, at: (801) 499-2117, TDD (801) 903-3978, at least five working days prior to the scheduled meeting.

Agenda Item

4(A)

DIVISION OF DRINKING WATER
STATE LOAN FUNDS
AS OF October 31, 2016

SUMMARY		
	Total State Fund:	\$10,773,332
	Total State Hardship Fund:	\$898,389
	Subtotal:	\$11,671,721
LESS AUTHORIZED	Less:	
	Authorized Loans & Closed loans in construction:	\$5,602,000
	Authorized Hardship:	\$1,190,600
	Subtotal:	\$6,792,600
	Total available after Authorized deducted	\$4,879,121
PROPOSED	Proposed Loan Project(s):	\$0
	Proposed Hardship Project(s):	\$0
	Subtotal:	\$0
AS OF:		
October 31, 2016	TOTAL REMAINING STATE LOAN FUNDS:	\$5,171,332
	TOTAL REMAINING STATE HARDSHIP FUNDS:	(\$292,211)

(see Page 2 for details)

(see Page 2 for details)

Total Balance of ALL Funds: **\$4,879,121**

Projected Receipts Next Twelve Months: and Sales Tax Revenue	
Annual Maximum Sales Tax Projection	\$3,587,500
Less State Match for 2017 Federal Grant	(\$2,000,000)
Less Appropriation to DDW	(\$600,000)
Less Wtr Use Study Appropriation	(\$375,000)
Less Administration Fees	(\$115,275)
SUBTOTAL Sales Tax Revenue including adjustments:	\$497,225
Payment:	
Interest on Investments (Both Loan and Hardship Accounts)	\$48,000
Principal payments	\$3,469,154
Interest payments	\$813,461
Total Projections:	\$4,827,840

Receive 80% in January

Total Estimated State SRF Funds Available through 10-31-2017	\$9,706,961
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**DIVISION OF DRINKING WATER
STATE LOAN FUNDS
PROJECTS AUTHORIZED BUT NOT YET CLOSED
AS OF October 31, 2016**

Community	Loan #	Cost Estimate	Date Authorized	Date Closed/Anticipated	Authorized Funding		
					Loan	Grant	Total
Sterling City 2.52% int, 20 yrs	3S239	300,000	May-16		258,000		258,000
Cedar Point/Big Plains 0%, 20yrs	3S240	176,000	Jul-16		88,000	88,000	176,000
Fillmore City 2.45%, 20 yrs (LOF)	3S242	2,552,000	Sep-15	Dec-16	2,152,000		2,152,000
North Fork SSD 2% int 20 yrs (LOF)	3S243	2,397,000	Mar-16		2,199,000		2,199,000
Subtotal Loans and Grants Authorized					4,697,000	88,000	4,785,000
PLANNING LOANS / GRANTS IN PROCESS							
Eagle Mountain	3S228P	30,000	Aug-15		30,000		30,000
LaVerkin City	3S223P	40,000	Jun-15	Jun-15		19,955	19,955
Parowan	3S227P	40,000	Jul-15	Sep-15		40,000	40,000
Springdale	3S214P	40,000	Jan-15	Mar-15		22,645	22,645
Weber County General	3S225P	40,000	Jun-15	Sep-15		20,000	20,000
Koosharem	3S238	80,000	Jul-16	Aug-16		40,000	40,000
Henrieville	3S241	690,000	Aug-16			345,000	345,000
					30,000	487,600	517,600
CLOSED LOANS (partially disbursed)							
Helper City 0% int 30 yrs	3S230	3,500,000	Jul-15	Oct-15	875,000	375,000	1,250,000
Daggett Co - Dutch John 0% int 30 yrs	3S216	1,020,000	Jan-15	Feb-16	0	240,000	240,000
							0
Subtotal Planning Loans/Grants Auth					875,000	615,000	1,490,000
Total authorized or closed but not yet funded					\$5,602,000	\$1,190,600	\$6,792,600
PROPOSED PROJECTS for NOV 2016							
							0
							0
							0
							0
Total Proposed Projects					0	0	0

**DIVISION OF DRINKING WATER
STATE LOAN FUNDS
PROJECTS AUTHORIZED BUT NOT YET CLOSED
AS OF October 31, 2016**

Community	Loan #	Cost Estimate	Date Authorized	Date Closed/Anticipated	Authorized Funding		
					Loan	Grant	Total
Sterling City 2.52% int, 20 yrs	3S239	300,000	May-16		258,000		258,000
Cedar Point/Big Plains 0%, 20yrs	3S240	176,000	Jul-16		88,000	88,000	176,000
Fillmore City 2.45%, 20 yrs (LOF)	3S242	2,552,000	Sep-15	Dec-16	2,152,000		2,152,000
North Fork SSD 2% int 20 yrs (LOF)	3S243	2,397,000	Mar-16		2,199,000		2,199,000
Subtotal Loans and Grants Authorized					4,697,000	88,000	4,785,000
PLANNING LOANS / GRANTS IN PROCESS							
Eagle Mountain	3S228P	30,000	Aug-15		30,000		30,000
LaVerkin City	3S223P	40,000	Jun-15	Jun-15		19,955	19,955
Parowan	3S227P	40,000	Jul-15	Sep-15		40,000	40,000
Springdale	3S214P	40,000	Jan-15	Mar-15		22,645	22,645
Weber County General	3S225P	40,000	Jun-15	Sep-15		20,000	20,000
Koosharem	3S238	80,000	Jul-16	Aug-16		40,000	40,000
Henrieville	3S241	690,000	Aug-16			345,000	345,000
					30,000	487,600	517,600
CLOSED LOANS (partially disbursed)							
Helper City 0% int 30 yrs	3S230	3,500,000	Jul-15	Oct-15	875,000	375,000	1,250,000
Daggett Co - Dutch John 0% int 30 yrs	3S216	1,020,000	Jan-15	Feb-16	0	240,000	240,000
							0
Subtotal Planning Loans/Grants Auth					875,000	615,000	1,490,000
Total authorized or closed but not yet funded					\$5,602,000	\$1,190,600	\$6,792,600
PROPOSED PROJECTS for NOV 2016							
							0
							0
							0
							0
Total Proposed Projects					0	0	0

DIVISION OF DRINKING WATER
FEDERAL SRF
AS OF October 31, 2016

FIRST ROUND FUND		FEDERAL SECOND ROUND FUND			
1997 thru 2015 SRF Grants		Principal Repayments	Earnings on Invested Cash Balance	Hardship Fund	
Net Federal SRF Grants:	\$157,144,401	Principal (P):	\$44,355,652	Total:	\$1,166,467
Total State Matches:	\$35,108,900	Interest (I):	\$12,962,945		
Closed Loans:	-\$187,011,741	Total P & I:	\$57,318,597		
Total Grant Dollars:	\$5,241,560				

SUMMARY		
	Total Federal State Revolving Fund:	\$63,726,624
	Total Federal Hardship Fund:	\$1,926,345
	Subtotal:	\$65,652,969
LESS AUTHORIZED & PARTIALLY DISBURSED	Less:	
	Authorized & Partially Disbursed Closed Loans:	\$41,783,827
	Authorized Federal Hardship:	\$2,339,048
	Subtotal:	\$44,122,875
PROPOSED	Proposed Federal Project(s):	\$854,548
	Proposed Federal Hardship Project(s):	\$0
	Subtotal:	\$854,548
AS OF: October 31, 2016	TOTAL REMAINING LOAN FUNDS:	\$21,088,249
	TOTAL REMAINING HARDSHIP FUNDS:	-\$412,702

Total Balance of ALL Funds after deducting proposed actions: \$20,675,547

Projected Receipts thru November 1, 2017	
2017 Fed SRF Grant	\$7,400,000
2017 State Match	\$2,000,000
Interest on Investments	\$524,400
Principal Payments	\$6,526,246
Interest	\$1,383,899
Hardship & Technical Assistance fees	\$331,250
Total:	\$18,165,795

} Receive 60% in January

Total Estimated Federal SRF Funds Available through: 11/01/2017 **\$38,841,342**

DIVISION OF DRINKING WATER FEDERAL STATE REVIVING FUND									
PROJECTS AUTHORIZED BUT NOT YET CLOSED AS OF October 31, 2016									
COMMUNITY	Project			Authorized Date	Closing Date Scheduled	Authorized From Loan Funds (1st or 2nd Round)			Hardship Fund
	Total Project	Terms	Loan #			Loan	Forgiveness	Total	
West Erda Improvement District	1,622,600	0% int, 30 yr	3F233	Nov-14	Jul-17	811,000	811,600	1,622,600	
Liberty Pipeline Company	699,000	2.83% 20 years (LOF \$6,990)	3F236	May-15		699,000		699,000	
Eagle Mountain City	3,366,805	1.8% int/hgf, 20 yrs	3F254	Jan-16	May-17	2,895,000		2,895,000	
Juab County	27,210,000	2.5% int/hgf, 30 yrs	3F259	Mar-16		21,210,000		21,210,000	
Wellington	1,063,000	2.2% int/hgf, 30 yrs	3F265	Apr-16		851,000	212,000	1,063,000	
Corinne City	561,000	2.85% int/hgf, 20 yrs	3F266	May-16	Feb-17	442,000	113,500	555,500	
Springdale	5,654,000	1.25% int/hgf, 30 yrs	3F264	May-16	Apr-17	3,856,000	1,652,350	5,508,350	
Virgin Town	1,120,000	0% int, 30 yrs	3F272	Jul-16		1,120,000		1,120,000	
Irontown	474,000	0% int, 30 yrs	3F271	Jul-16		379,000	95,000	474,000	
Glen Canyon SSD #1/Big Water	1,288,000	2.45% int/hgf, 30 yrs	3F270	Jul-16		1,052,000	176,000	1,228,000	
San Juan Spanish Valley SSD	5,100,000	0% int, 30yrs (combined w/CIB)	3F275	Aug-16		1,785,000	765,000	2,550,000	
Winchester Hills	427,000	0% interest, 30 yrs	3F277	Sep-16		214,000	213,000	427,000	
Wales Town	253,000	0% int, 30 yrs	3F276	Aug-16		127,000	126,000	253,000	
Cedar Point - Big Plains Wtr & Swr	83,000	0.0% 5 yrs \$42,000 PF Aquafer study	3F224P	May-14				0	83,000
Central Iron County WCD	100,000	0.0% 5 yrs \$50,000 PF Aquafer study	3F230	Nov-14				0	100,000
Greenwich Water Company	130,000	65K loan at 0%, 30 yrs/ 65K pf	3F258	Mar-16				0	65,000
Echo Mutual Wtr System	36,219	100% pf	3F267	May-16				0	35,857
TOTAL CONSTRUCTION AUTHORIZED:						\$ 35,441,000	\$ 4,164,450	\$ 39,605,450	\$ 283,857
COMMITTED PLANNING ADVANCES / AGREEMENTS or PARTIALLY DISBURSED CLOSED 2ND ROUND AGREEMENTS:									
					Date Closed				
Rural Water Assn of Utah	124,758	5 yr contract for Development Specialist	Ongoing	Nov-12	Jan-13			0	0
Eureka	694,095	100% Principal Forgiveness	3F235	May-15	Jun-15			0	200,744
Orderville Town	40,000	pl 100% pf	3F241P	Sep-15	Dec-15			0	40,000
Bluffdale City	40,000	pl 100% pf	3F242P	Sep-15	Nov-15			0	40,000
Elsinore	45,000	pl 100% pf	3F243P	Nov-15	Jun-16			0	6,500
Glendale Town	37,500	pf	3F261P	Mar-16	Apr-16			0	37,500
Old Irontown POA	37,000	pf	3F262P	Mar-16	Apr-16			0	37,000
Freemont Waterworks	40,000	pl 0% int 5 yrs	3F257P	Jan-16	Nov-16			0	40,000
Greenwich Water Company	130,000	65K loan at 0%, 30 yrs/ 65K pf	3F258	Mar-16	Jun-16			0	65,000
Trenton Town	732,000	state grant w/731,000 loan	3S234	Nov-15	Aug-16			0	731,000
Water Use Study	1,000,000	Legislature Appropriated for FY 2017	n/a	Mar-16	Jul-16			0	750,000
Boulder Farmstead	35,000	100% principal forgiveness	3F274	Aug-16	Oct-16		35,000	35,000	
Forest Glen Plat A HOA	1,438,986	0% int, 30 yrs	3F222	Feb-14	Dec-14	114,000	55,986	169,986	
Kane Co WCD-Johnson	1,401,020	1.93% int, 30 yrs	3F165	Mar-11	Dec-11	144,000	38,000	182,000	
Herriman	1,528,000	2.25% int, 20 yrs	3F194	Mar-12	May-15	0		0	
Taylor West Weber Water Improvement Dis	7,636,391	2.26% int, 30 yr	3F234	Feb-15	Apr-15	1,429,000	362,391	1,791,391	
TOTAL PLANNING AUTHORIZED:						\$1,687,000	\$491,377	\$2,178,377	\$2,055,191
TOTAL CONSTRUCTION & PLANNING:								\$41,783,827	\$2,339,048
AVAILABLE PROJECT FUNDS:									\$21,942,797
AVAILABLE HARDSHIP FUNDS:									-\$412,702
PROPOSED PROJECTS FOR NOV 2016:									
Bridge Hollow Water Assoc	225,000	1.0% int, 30 yrs	3F280			158,000	67,000	225,000	
Lizard Bench	28,000	100% PF	3F278				28,000	28,000	
Hanksville Town	601,548	0% int, 30 yrs	3F279			421,000	180,548	601,548	
TOTAL PROPOSED PROJECTS FOR THIS MEETING:						\$579,000	\$275,548	\$854,548	\$0
*RWau hardship grant is being disbursed monthly									
TOTAL FUNDS AFTER PROPOSED PROJECTS ARE FUNDED:									\$21,088,249
TOTAL FUNDS AFTER PROPOSED HS PROJECTS ARE FUNDED:									-\$412,702
NOTES OF LOAN CLOSINGS SINCE LAST BOARD MEETING:									
								0	
Total Recent Loan Closings						\$0	\$0	\$0	\$0

DIVISION OF DRINKING WATER
FEDERAL SRF LOAN FUNDS
AS OF October 31, 2016

	Loan Funds 1st Round	Loan Payments			TOTAL
		2nd Round		Hardship Fund	
		Principal	Interest		
Federal Capitalization Grants and State 20% match thru 2015	\$192,253,301				
Earnings on Invested 1st Round Funds			1,166,467		
Repayments (including interest earnings on 2nd round receipts)		44,355,652	12,962,945	1,926,345	252,664,710
Less:					
Closed loans and grants	-187,011,741				-187,011,741
SUBTOTAL of Funds Available	\$5,241,560	\$44,355,652	\$14,129,412	\$1,926,345	\$65,652,969
Loans & Grants authorized but not yet closed or fully disbursed	-36,825,450	-4,467,000	-491,377	-2,339,048	-44,122,875
SUBTOTAL of Funds Available less Authorized	-\$31,583,890	\$39,888,652	\$13,638,035	-\$412,702	\$21,530,095
Future Estimates:					
Proposed Loans/Grants for current board package	-854,548			0	-854,548
SUBTOTAL of Funds Available less Proposed Loans & Grants	-\$32,438,438	\$39,888,652	\$13,638,035	-\$412,702	\$20,675,547
PROJECTIONS THRU November-2017					
	0				
2017 SRF Capitalization Grant (Loan Portion)	7,400,000				
2017 SRF Capitalization State Match	2,000,000				
Projected repayments & revenue during the next twelve months		6,526,246	1,383,899	331,250	8,241,395
Projected annual investment earnings on invested cash balance		480,000	24,000	20,400	524,400
TOTAL	-\$23,038,438	\$46,894,898	\$15,045,934	-\$61,052	\$38,841,342

Agenda Item 4(B)

September 28, 2016

Utah Federal SRF Program

Project Priority List

Authorized

				Priority	Total Unmet Needs: \$251,109,761			Total Needs, incl. Recent funding		\$263,910,653		\$232,190,468	
	date	type	%Green		System Name		County	Pop.	ProjectTitle		Project Total	Request DWB	Funds Authorized
N				43.5	Wellington City		Carbon	1,676	New 750,000-gallon Storage Tank		\$1,006,167.00	1,006,167	
N				28.7	Lizard Bench		Sevier	63	Water line, well house upgrades, chlorination, tank liner		\$56,000.00	28,000	
N				27	Bridge Hollow		Summit	45	New Well		\$121,212.00	121,212	
N				26.3	Hanksville		Wayne	219	Water Line: new and replacement, meters		\$602,574.00	602,574	
N				22.8	Old Meadows		Iron	41	Replace Distribution System		\$338,747	413,292	
N				8.1	Thatcher Penrose SD		Box Elder	580	Water line replacement		\$129,400	110,000	
A				90.5	North Fork SSD		Utah	1,500	New tank and well		\$2,408,354	2,210,350	
A				82.6	West Erda		Tooele	158	Connect West Erda and Tooele Airport to Erda Acres		\$1,801,331.00	1,801,331	\$1,622,600
A				72.3	Springdale		Washington	572	Treatment Plant		\$4,730,000	4,600,000	
A				43.3	Old Irontown POA		Iron	90	New 300,000-gallon tank and transmission line		\$478,788	478,788	\$474,000
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				35.7	Boulder Farmstead		Garfield	226	Repair roads from 2015 water line project		\$35,354	35,354	
A				32.2	Fairfiled Culinary Water System		Utah	35	New well, pump station, tank		\$1,130,000	565,000	\$1,160,000
A				25.5	Fillmore City		Millard	2,260	Water Line Replacement		\$2,555,556	2,555,556	\$2,152,000
A				25.3	San Juan Spanish Valley SSD		San Juan	491	New System: tank, well, distribution		\$5,125,758	2,575,758	
A				22.5	White Hills Water		Utah	419	Water line replacement, tank rehab, new PRV		\$1,047,168	1,047,168	\$1,037,000
A				21.6	Wooden Shoe		Summit	47	Replace Distribution System		\$413,292	413,292	\$413,292
N				20.6	Corinne City		Box Elder	700	Radium Filter, Spring Rehab, Transmission Line		\$561,111.00	561,111	
A				18.5	Big Water Town		Kane	480	Refurbish Tank, radio read meters, distribution line		\$1,287,185	413,292	\$1,228,000
A				18.3	Greenwich		Piute	67			\$131,300	131,300	
A				11.4	Eagle Mountain		Utah	25,593	New water line and pump station		\$3,395,763	2,895,763	\$2,895,000
A				9.7	Juab Co		Juab	???	Regionalization pipeline		\$24,000,000	21,000,000	
A				7.9	Echo Mutual Water System		Summit	50	Radium Filter, Spring Rehab, Transmission Line		\$35,857.00	35,857	
A				4.8	Liberty Pipeline Company		Weber	2,504	New Well		\$743,954	\$698,647	\$699,000

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**

N 100 Trenton Town Cache 466 Spring Re-development \$401,150.00 \$241,150

				September 28, 2016		Utah Federal SRF Program							
				Priority Points	Project Priority List								
					Authorized								
					Total Unmet Needs:		\$251,109,761		Total Needs, incl. Recent funding		\$263,910,653		\$232,190,468
	date	type	%Green		System Name	County	Pop.	ProjectTitle		Project Total	Request DWB	Funds Authorized	
N				100	Marble Hills	Box Elder	250	Pump replacement		\$152,167.00	\$28,170		

POTENTIAL PROJECTS

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		

September 28, 2016

Utah Federal SRF Program

Project Priority List

Authorized

Total Unmet Needs:

\$251,109,761

Total Needs, incl. Recent funding

\$263,910,653

\$232,190,468

	date	type	%Green	Priority Points	System Name	County	Pop.	ProjectTitle	Project Total	Request DWB	Funds Authorized
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		
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 LOAN**

APPLICANT'S REQUEST:

On January 8, 2016, a loan of \$2,895,000 with an interest rate of 1.80% for 20 years was authorized to Eagle Mountain City for a new 16-inch PVC pipeline with a total length of approximately 4 miles and a new 50 hp pump station. The City chose to use their own funds to install the pipeline and is requesting a change a change in scope to construct a 2MG water tank.

The cost of the project is estimated at \$2,300,000. The applicant still plans to contribute \$500,000 toward the project.

STAFF COMMENTS:

The local MAGI for Eagle Mountain City is \$59,038 (137% of the state MAGI), and their after project water bill at 100% loan is 1.19% of the local MAGI. Therefore they do not qualify as a hardship community. The new calculated interest rate is 1.40%.

As mentioned in the January board meeting, there appears to be some inconsistencies in the City's 2014 Federal Single Audit report. If an amendment is necessary then this authorization for funding is contingent upon compliance with the Federal Single Audit Act.

STAFF RECOMMENDATION:

Staff recommends that the Drinking Water Board authorize a change in scope to the January 2016 authorization which now consists of a new water storage tank. The new loan amount would \$1,800,000 at 1.40% interest/fee for 20 years. Conditions include that they resolve all issues on their compliance report and submit FY2014 Federal Single Audit reports.

CONTACT INFORMATION:

APPLICANT:

Eagle Mountain City
1650 Stagecoach Run
Eagle Mountain, UT 84005
801-789-6671

PRESIDING OFFICIAL &
CONTACT PERSON:

Chris Trusty
City Engineer
2565 Pony Express Pkwy
Eagle Mountain, UT 84005
801-789-6671
ctrusty@emcity.org

CONSULTING ENGINEER:

Ted Mickelsen
Jones & DeMille Engineering
765 East 340 South
American Fork, Utah 84003
801-692-0219
ted.m@jonesanddemille.com

RECORDER:

Fionnuala Kofoed
(801) 789-6610
fkofoed@emcity.org

FINANCIAL CONSULTANT:

n/a

CITY ATTORNEY:

Jeremy Cook
Parsons Kinghorn and Harris
111 East Broadway 11th Floor
Salt Lake City, UT 84111
(801) 363-4300
jrc@pkhlawyers.com



Engineering Division
2545 North Sweetwater Road
Eagle Mountain City, Utah 84005
(801) 789-6671

Monday, November 7, 2016

Rich Peterson
State of Utah
Division of Drinking Water
185 North 1950 West
Salt Lake City, UT 84116

SUBJECT: Eagle Mountain Funding Change of Scope for project SRF#3F254

Dear Sirs:

Plan approval from the Division of Drinking Water for the 16 inch transmission line was granted in February of 2016. Subsequent to that approval, Eagle Mountain City awarded the bid of that project and proceeded with the construction. The City chose to use existing City impact fee and utility funds to construct this project. As such, the City is requesting a change of scope for the funding approved through the Division of Drinking Water.

Eagle Mountain City will be designing and constructing a 2 million gallon storage tank to be located in the northern portion of the City. The estimated cost for this project is 2.3 million dollars. We respectfully request that the Division allows for a change in scope from the 16 inch water transmission line to the 2 MG water tank project.

Please review this request and let me know if you have any comments, questions, or concerns. I look forward to hearing back from you. Thank you.

Sincerely,

Christopher T. Trusty, P.E.
City Engineer
Eagle Mountain City

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Eagle Mtn
 COUNTY: Utah
 PROJECT DESCRIPTION: 2MG water tank

FUNDING SOURCE: Federal SRF

100 % Loan & 0 % P.F.

ESTIMATED POPULATION:	25,593	NO. OF CONNECTIONS:	6142 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$55.47 *			PROJECT TOTAL:	\$2,300,000
CURRENT % OF AGI:	1.13%	FINANCIAL PTS:	68	LOAN AMOUNT:	\$1,800,000
ESTIMATED MEDIAN AGI:	\$59,038			PRINC. FORGIVE.:	\$0
STATE AGI:	\$43,196			TOTAL REQUEST:	\$1,800,000
SYSTEM % OF STATE AGI:	137%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 3.44%		AFTER REPAYMENT PENALTY & POINTS 1.40%
<u>SYSTEM</u>				
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.44%		1.40%
REQUIRED DEBT SERVICE:	\$90,000.00	\$125,963.33		\$103,811.71
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$9,000.00	\$12,596.33		\$10,381.17
ANNUAL NEW DEBT PER CONNECTION:	\$16.12	\$22.56		\$18.59
O & M + FUNDED DEPRECIATION:	\$3,250,155.00	\$3,250,155.00		\$3,250,155.00
OTHER DEBT + COVERAGE:	\$711,485.34	\$711,485.34		\$711,485.34
REPLACEMENT RESERVE ACCOUNT:	\$241,402.16	\$243,200.33		\$242,092.75
ANNUAL EXPENSES PER CONNECTION:	\$684.31	\$684.60		\$684.42
TOTAL SYSTEM EXPENSES	\$4,302,042.50	\$4,343,400.33		\$4,317,925.97
TAX REVENUE:	\$133,467.00	\$133,467.00		\$133,467.00
<u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$58.37	\$58.93		\$58.58
% OF ADJUSTED GROSS INCOME:	1.19%	1.20%		1.19%

* Equivalent Residential Connections

R309-700-5

Eagle Mtn

Utah

November 20, 2015

TABLE 2
FINANCIAL CONSIDERATIONS

	POINTS	
1. COST EFFECTIVENESS RATIO (SELECT ONE)		
A. Project cost \$0 to \$500 per benefitting connection	16	X
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	
F. \$5,001 to \$10,000	1	
G. Over \$10,000	0	
	\$374	
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	X
F. Greater than 150% of State Median AGI	0	
	137%	
3. PROJECT FUNDING CONTRIBUTED BY APPLICANT (SELECT ONE)		
a. Greater than 25% of project funds	17	
b. 15 to 25% of project funds	14	X
c. 10 to 15% of project funds	11	
c. 5 to 10% of project funds	8	
d. 2 to 5% of project funds	4	
e. Less than 2% of project funds	0	
	21.7%	
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	
	1.20%	
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	68	
TOTAL POSSIBLE POINTS FOR FINANCIAL NEED	100	

Eagle Mtn

PROPOSED BOND REPAYMENT SCHEDULE

100 % Loan & 0 % P.F.

PRINCIPAL	\$1,800,000.00	ANTICIPATED CLOSING DATE	15-Mar-16
INTEREST	1.40%	FIRST P&I PAYMENT DUE	15-Mar-17
TERM	20	REVENUE BOND	
NOMIN. PAYMENT	\$103,811.71	PRINC. FORGIVE.:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2016	\$1,800,000.00		\$0.00 *	\$0.00	\$0.00	\$1,800,000.00	0
2017	\$1,800,000.00		\$104,200.00	\$79,000.00	\$25,200.00	\$1,721,000.00	1
2018	\$1,721,000.00		\$104,094.00	\$80,000.00	\$24,094.00	\$1,641,000.00	2
2019	\$1,641,000.00		\$103,974.00	\$81,000.00	\$22,974.00	\$1,560,000.00	3
2020	\$1,560,000.00		\$103,840.00	\$82,000.00	\$21,840.00	\$1,478,000.00	4
2021	\$1,478,000.00		\$103,692.00	\$83,000.00	\$20,692.00	\$1,395,000.00	5
2022	\$1,395,000.00		\$103,530.00	\$84,000.00	\$19,530.00	\$1,311,000.00	6
2023	\$1,311,000.00		\$103,354.00	\$85,000.00	\$18,354.00	\$1,226,000.00	7
2024	\$1,226,000.00		\$104,164.00	\$87,000.00	\$17,164.00	\$1,139,000.00	8
2025	\$1,139,000.00		\$103,946.00	\$88,000.00	\$15,946.00	\$1,051,000.00	9
2026	\$1,051,000.00		\$103,714.00	\$89,000.00	\$14,714.00	\$962,000.00	10
2027	\$962,000.00		\$103,468.00	\$90,000.00	\$13,468.00	\$872,000.00	11
2028	\$872,000.00		\$104,208.00	\$92,000.00	\$12,208.00	\$780,000.00	12
2029	\$780,000.00		\$103,920.00	\$93,000.00	\$10,920.00	\$687,000.00	13
2030	\$687,000.00		\$103,618.00	\$94,000.00	\$9,618.00	\$593,000.00	14
2031	\$593,000.00		\$103,302.00	\$95,000.00	\$8,302.00	\$498,000.00	15
2032	\$498,000.00		\$103,972.00	\$97,000.00	\$6,972.00	\$401,000.00	16
2033	\$401,000.00		\$103,614.00	\$98,000.00	\$5,614.00	\$303,000.00	17
2034	\$303,000.00		\$104,242.00	\$100,000.00	\$4,242.00	\$203,000.00	18
2035	\$203,000.00		\$103,842.00	\$101,000.00	\$2,842.00	\$102,000.00	19
2036	\$102,000.00		\$103,428.00	\$102,000.00	\$1,428.00	\$0.00	20
			\$2,076,122.00	\$1,800,000.00	\$276,122.00		

*Interest Only Payment

Agenda Item

4(C)(ii)(a)

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

APPLICANT'S REQUEST

Lizard Bench Water Association is requesting \$28,000 in financial assistance from the Drinking Water Board to upgrade their well house, install chlorination equipment, construct 950 feet of water line and install a liner on their existing tank. Total project cost is estimated to be \$56,000 and Lizard Bench is contributing \$28,000 to the project. They scored 28.7 points on the Project Priority List.

STAFF COMMENTS:

Based on information from the Utah State Tax commission, the 2014 MAGI for the Lizard Bench area is \$28,094, which is 67% of the State MAGI of \$41,923. Therefore Lizard Bench qualifies as a disadvantaged community and is eligible for additional subsidization.

Description	Repayable Loan Amount	Interest Rate	Term	Principal Forgiveness	Monthly Water Rate	% Local MAGI
100% Grant	\$0	0%		\$28,000	\$39.34	1.68%

Financial Assistance Committee Recommends:

The Drinking Water Board authorize a \$28,000 loan with 100% principle forgiveness to Lizard Bench to upgrade their well house, install chlorination facilities, construct 950 feet of waterline and install a liner on their existing tank, with the condition that they resolve the deficiencies noted on their IPS report.

APPLICANT'S LOCATION:

Lizard Bench is located in Sevier County, approximately 7 miles south of Richfield and 3 miles east of Elsinore.



PROJECT DESCRIPTION:

The proposed project consists of the following:

- Upgrade the well-head and well-house
- Install a Sodium Hypochlorite disinfection system
- Construct 950 feet of 8-inch PVC waterline to provide 30 minutes of chlorine contact time prior to the first connection
- Install a CIM tank liner on the existing water tank

IMPLEMENTATION SCHEDULE:

Apply to DWB for Funding:	Sep 2016
DWB Funding Authorization:	Nov 2016
Plans Submitted:	Dec 2016
Plan Approval:	Dec 2016
Advertise for Bids:	Dec 2016
Bid Opening:	Dec 2016
Loan Closing:	Mar 2016
Begin Construction:	Apr 2016
Complete Construction:	July 2016

COST ESTIMATE:

Construction:	\$41,477
Contingency:	\$4,523
Engineering / Const Management:	\$10,000
Total Cost:	\$56,000

COST ALLOCATION:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan (0%, 30-yr)	\$28,000	50%
Applicant contribution	\$28,000	50%
Total Amount	\$56,000	100%

CONTACT INFORMATION:

APPLICANT:

Lizard Bench Water Association
P.O. Box 672
Richfield, UT 84754
435-896-5748

**PRESIDING OFFICIAL &
CONTACT PERSON:**

Claude Foreman
Board Chairman
2625 North, Washburnville Road
Monroe, UT 84754
435-896-5748
cm4man@hughes.net

CONSULTING ENGINEER:

Lynn Wall
Wall Engineering
P.O. Box 39
Fillmore, UT 84631
435-864-7503
wallengineering@frontiernet.net

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Lizard Bench
 COUNTY: Sevier
 PROJECT DESCRIPTION: Transmission line, upgrade well-house, add chlorination, liner on existing tank

FUNDING SOURCE: Federal SRF

0 % Loan & 100 % P.F.

ESTIMATED POPULATION:	63	NO. OF CONNECTIONS:	21 *	SYSTEM RATING:	Corrective Action
CURRENT AVG WATER BILL:	\$39.34 *			PROJECT TOTAL:	\$56,000
CURRENT % OF AGI:	1.68%	FINANCIAL PTS:	47	LOAN AMOUNT:	\$0
ESTIMATED MEDIAN AGI:	\$28,094			PRINC. FORGIVE.:	\$28,000
STATE AGI:	\$41,923			TOTAL REQUEST:	\$28,000
SYSTEM % OF STATE AGI:	67%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 3.06%		AFTER REPAYMENT PENALTY & POINTS 1.92%
<u>SYSTEM</u>				
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.06%		1.92%
REQUIRED DEBT SERVICE:	\$0.00	\$0.00		\$0.00
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$0.00	\$0.00		\$0.00
ANNUAL NEW DEBT PER CONNECTION:	\$0.00	\$0.00		\$0.00
 O & M + FUNDED DEPRECIATION:	\$6,905.00	\$6,905.00		\$6,905.00
OTHER DEBT + COVERAGE:	\$0.00	\$0.00		\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$345.25	\$345.25		\$345.25
ANNUAL EXPENSES PER CONNECTION:	\$345.25	\$345.25		\$345.25
 TOTAL SYSTEM EXPENSES	\$7,250.25	\$7,250.25		\$7,250.25
TAX REVENUE:	\$0.00	\$0.00		\$0.00
 <u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$28.77	\$28.77		\$28.77
 % OF ADJUSTED GROSS INCOME:	1.23%	1.23%		1.23%

* Connections (4 additional lots pay a monthly standby fee but are not connected)

Agenda Item 4(C)(ii)(b)

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

APPLICANT'S REQUEST:

Hanksville Town is requesting financial assistance in the amount of \$601,548 to replace and upgrade their existing distribution system, replace fire hydrants, add auto-read water meters and install a telemetry system. They scored 26.3 points on the Project Priority List.

STAFF COMMENTS:

The local MAGI for Hanksville is \$18,692 which is 45% of the State MAGI. They currently have an average water bill of approximately \$27.35 per month, which is 1.76% of local MAGI. A full loan for 20 years at the calculated interest rate of 1.98% would result in an average water bill of approximately \$57.49, which is 3.69% of their local MAGI. Based on this information, they qualify to be considered for additional subsidization.

Staff explored the following options:

Total Funding	Loan	Grant	Terms	Water Bill	% MAGI
\$601,548	\$421,000	\$180,548	1.98%, 20 yrs	\$49.74	3.19%
\$601,548	\$421,000	\$180,548	1.0%, 30 yrs	\$43.67	2.80%
\$601,548	\$421,000	\$180,548	0%, 30 yrs	\$42.19	2.71%

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board authorize a \$601,548 construction loan to Hanksville Town with a 0% interest/fee per annum for 30 years with \$180,548 in principal forgiveness.

APPLICANT'S LOCATION:

Hanksville Town is located in Wayne County.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

The project scope involves replacing their existing old, 6-inch water lines with 8-inch water lines. They will also add a section of 8-inch water line to loop the system, replace hydrants, add auto-read water meters and install a telemetry system.

POPULATION GROWTH:

According to the Utah State Governor's Office of Planning and Budgeting, the anticipated growth rate for Hanksville Town is approximately 1.2 % per year over the next 20 years.

	<u>Year</u>	<u>Population</u>
Current:	2016	219
Projected:	2035	278

IMPLEMENTATION SCHEDULE:

Apply to DWB for Construction Funds:	October 2016
SRF Committee Conference Call:	October 2016
DWB Funding Authorization:	November 2016
Complete Design:	January 2017
Plan Approval:	February 2017
Advertise for Bids:	February 2017
Bid Opening:	March 2017
Loan Closing:	March 2017
Begin Construction:	April 2017
Complete Construction:	August 2017
Receive Operating Permit:	September 2017

COST ESTIMATE:

Legal-Bonding	\$20,000
Environmental	\$5,000
Engineering- Design	\$49,418
Engineering- CMS	\$41,182
Construction- Distribution Lines	\$341,820
Construction- Fire Hydrants	\$27,500
Construction- Meters	\$22,500
Construction- Telemetry	\$20,000
Contingency 18%	\$74,128
Total Project Cost	\$601,548

COST ALLOCATION:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan (0%, 30-yr)	\$421,000	70%
DWB Grant	\$180,548	30%
Total Amount	\$601,548	100%

ESTIMATED ANNUAL COST OF WATER SERVICE:

Operation and Maintenance plus Depreciation: \$33,569
Existing DW Debt Service: \$22,637.50
DDW Debt Service (0%, 30-yrs): \$14,033.33
DDW Debt Reserve: \$1,403.33
Replacement Reserve Account: \$3,285.62
Annual Cost/ERC: \$506.27
Monthly Cost/ERC: \$42.19
Cost as % MAGI: 2.71%

APPLICANT: Hanksville Town
P.O. Box 127
Hanksville, Utah 84374
435-542-3451

PRESIDING OFFICIAL &
CONTACT PERSON: Kim Wilson
P.O. Box 127
Hanksville, Utah 84734
435-542-6451

TREASURER/RECORDER: Lisa Wells
435-542-3451

CONSULTING ENGINEER: Kelly Crane
Ensign Engineering
225 North 100 East
Richfield, Utah 84701
435-896-2983
kcrane@ensignutah.com

BOND ATTORNEY: Richard Chamberlain
Chamberlain Associates
225 North 100 East
Richfield, Utah 84701
435-896-4461
baxterse@hotmail.com

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Hanksville
 COUNTY: Wayne
 PROJECT DESCRIPTION: Water line replacement, meters

FUNDING SOURCE: Federal SRF

100 % Loan & 0 % P.F.

ESTIMATED POPULATION:	219	NO. OF CONNECTIONS:	148 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$27.35 *			PROJECT TOTAL:	\$601,548
CURRENT % OF AGI:	1.76%	FINANCIAL PTS:	45	LOAN AMOUNT:	\$601,548
ESTIMATED MEDIAN AGI:	\$18,692			PRINC. FORGIVE.:	\$0
STATE AGI:	\$41,923			TOTAL REQUEST:	\$601,548
SYSTEM % OF STATE AGI:	45%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 3.06%		AFTER REPAYMENT PENALTY & POINTS 1.98%
<u>SYSTEM</u>				
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.06%		1.98%
REQUIRED DEBT SERVICE:	\$30,077.40	\$40,658.10		\$36,717.74
*PARTIAL COVERAGE (15%):	\$4,511.61	\$6,098.72		\$5,507.66
*ADD. COVERAGE AND RESERVE (10%):	\$3,007.74	\$4,065.81		\$3,671.77
ANNUAL NEW DEBT PER CONNECTION:	\$254.03	\$343.40		\$310.12
O & M + FUNDED DEPRECIATION:	\$33,569.00	\$33,569.00		\$33,569.00
OTHER DEBT + COVERAGE:	\$22,637.50	\$22,637.50		\$22,637.50
REPLACEMENT RESERVE ACCOUNT:	\$0.00	\$0.00		\$0.00
ANNUAL EXPENSES PER CONNECTION:	\$379.77	\$379.77		\$379.77
TOTAL SYSTEM EXPENSES	\$93,803.25	\$107,029.13		\$102,103.67
TAX REVENUE:	\$6,000.00	\$6,000.00		\$6,000.00
<u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$52.82	\$60.26		\$57.49
% OF ADJUSTED GROSS INCOME:	3.39%	3.87%		3.69%

* Equivalent Residential Connections

R309-700-5

Hanksville

Wayne

October 6, 2016

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	
	\$4,065	
2. CURRENT LOCAL MEDIAN ADJUSTED GROSS INCOME (AGI) (SELECT ONE)		
A. Less than 70% of State Median AGI	19	X
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	
	45%	
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	
c. 5 to 10% of project funds	8	
d. 2 to 5% of project funds	4	
e. Less than 2% of project funds	0	X
	0.0%	
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	X
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	
	3.69%	
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	
B. Has a replacement fund equal to at least 15% or 20% of annual DW budget.	5	
C. Is creating or enhancing a regionalization plan	16	
D. Has a rate structure encouraging conservation	6	X
TOTAL POINTS FOR FINANCIAL NEED	45	
TOTAL POSSIBLE POINTS FOR FINANCIAL NEED	100	

Hanksville

PROPOSED BOND REPAYMENT SCHEDULE

100 % Loan & 0 % P.F.

PRINCIPAL	\$601,548.00	ANTICIPATED CLOSING DATE	15-Jan-17
INTEREST	1.98%	FIRST P&I PAYMENT DUE	01-Jan-18
TERM	20	REVENUE BOND	
NOMIN. PAYMENT	\$36,717.74	PRINC. FORGIVE.:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2017	\$601,548.00		(\$463.19) *	\$0.00	(\$463.19)	\$601,548.00	0
2018	\$601,548.00		\$36,910.65	\$25,000.00	\$11,910.65	\$576,548.00	1
2019	\$576,548.00		\$36,415.65	\$25,000.00	\$11,415.65	\$551,548.00	2
2020	\$551,548.00		\$36,920.65	\$26,000.00	\$10,920.65	\$525,548.00	3
2021	\$525,548.00		\$36,405.85	\$26,000.00	\$10,405.85	\$499,548.00	4
2022	\$499,548.00		\$36,891.05	\$27,000.00	\$9,891.05	\$472,548.00	5
2023	\$472,548.00		\$36,356.45	\$27,000.00	\$9,356.45	\$445,548.00	6
2024	\$445,548.00		\$36,821.85	\$28,000.00	\$8,821.85	\$417,548.00	7
2025	\$417,548.00		\$36,267.45	\$28,000.00	\$8,267.45	\$389,548.00	8
2026	\$389,548.00		\$36,713.05	\$29,000.00	\$7,713.05	\$360,548.00	9
2027	\$360,548.00		\$37,138.85	\$30,000.00	\$7,138.85	\$330,548.00	10
2028	\$330,548.00		\$36,544.85	\$30,000.00	\$6,544.85	\$300,548.00	11
2029	\$300,548.00		\$36,950.85	\$31,000.00	\$5,950.85	\$269,548.00	12
2030	\$269,548.00		\$36,337.05	\$31,000.00	\$5,337.05	\$238,548.00	13
2031	\$238,548.00		\$36,723.25	\$32,000.00	\$4,723.25	\$206,548.00	14
2032	\$206,548.00		\$37,089.65	\$33,000.00	\$4,089.65	\$173,548.00	15
2033	\$173,548.00		\$36,436.25	\$33,000.00	\$3,436.25	\$140,548.00	16
2034	\$140,548.00		\$36,782.85	\$34,000.00	\$2,782.85	\$106,548.00	17
2035	\$106,548.00		\$37,109.65	\$35,000.00	\$2,109.65	\$71,548.00	18
2036	\$71,548.00		\$36,416.65	\$35,000.00	\$1,416.65	\$36,548.00	19
2037	\$36,548.00		\$37,723.65	\$37,000.00	\$723.65	(\$452.00)	20
			\$734,493.02	\$602,000.00	\$132,493.02		

*Interest Only Payment

Hanksville

DWB Loan Terms				DW Expenses (Estimated)				DW Revenue Sources (Projected)			
Local Share (total):	\$	-		Proposed Facility Capital Cost:	#VALUE!			Beginning Cash:	\$	-	
Other Agency Funding:	\$	-		Existing Facility O&M Expense:	\$	33,569		Existing Customers (ERC):		148	
DWB Grant Amount:	\$	-		Proposed Facility O&M Expense:	\$	33,569		Projected Growth Rate:		1.0%	
DWB Loan Amount:	\$	601,548		O&M Inflation Factor:		1.0%		Impact Fee/Connection Fee:	\$	5,000	
DWB Loan Term:		20		Existing Debt Service:	\$	18,110		Current Monthly User Charge:	\$	27.35	
DWB Loan Interest:		1.98%						Needed Average Monthly User Charge:	\$	57.49	
DWB Loan Payment:	\$	36,718									

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%	1	148	48,582	5,000	6,000	59,582	-	-	601,548	-	-	18,110	33,569	51,679	-
1	1.0%	1	149	102,794	5,000	6,000	113,794	36,911	3,672	576,548	25,000	11,911	18,110	33,569	92,261	1.46
2	1.0%	2	151	104,173	10,000	6,000	120,173	36,416	3,672	551,548	25,000	11,416	18,110	33,905	92,102	1.58
3	1.0%	1	152	104,863	5,000	6,000	115,863	36,921	3,672	525,548	26,000	10,921	18,110	34,244	92,946	1.48
4	1.0%	2	154	106,243	10,000	6,000	122,243	36,406	3,672	499,548	26,000	10,406	18,110	34,586	92,774	1.61
5	1.0%	2	156	107,623	10,000	6,000	123,623	36,891	3,672	472,548	27,000	9,891	18,110	34,932	93,605	1.61
6	1.0%	1	157	108,313	5,000	6,000	119,313	36,356	3,672	445,548	27,000	9,356	18,110	35,281	93,420	1.54
7	1.0%	2	159	109,692	10,000	6,000	125,692	36,822	3,672	417,548	28,000	8,822	18,110	35,634	94,238	1.64
8	1.0%	1	160	110,382	5,000	6,000	121,382	36,267	3,672	389,548	28,000	8,267	18,110	35,991	94,040	1.57
9	1.0%	2	162	111,762	10,000	6,000	127,762	36,713	3,672	360,548	29,000	7,713	18,110	36,350	94,845	1.67
10	1.0%	1	163	112,452	5,000	6,000	123,452	37,139	3,672	330,548	30,000	7,139	18,110	36,714	95,635	1.57
11	1.0%	2	165	113,832	10,000	6,000	129,832	36,545		300,548	30,000	6,545	18,110	37,081	91,736	1.70
12	1.0%	2	167	115,212	10,000	6,000	131,212	36,951		269,548	31,000	5,951	18,110	37,452	92,513	1.70
13	1.0%	1	168	115,901	5,000	6,000	126,901	36,337		238,548	31,000	5,337	18,110	37,826	92,273	1.64
14	1.0%	2	170	117,281	10,000	6,000	133,281	36,723		206,548	32,000	4,723	18,110	38,205	93,038	1.73
15	1.0%	2	172	118,661	10,000	6,000	134,661	37,090		173,548	33,000	4,090	18,110	38,587	93,786	1.74
16	1.0%	2	174	120,041	10,000	6,000	136,041	36,436		140,548	33,000	3,436	18,110	38,973	93,519	1.78
17	1.0%	1	175	120,731	5,000	6,000	131,731	36,783		106,548	34,000	2,783	18,110	39,362	94,255	1.68
18	1.0%	2	177	122,110	10,000	6,000	138,110	37,110		71,548	35,000	2,110	18,110	39,756	94,976	1.78
19	1.0%	2	179	123,490	10,000	6,000	139,490	36,417		36,548	35,000	1,417	18,110	40,153	94,680	1.82
20	1.0%	2	181	124,870	10,000	6,000	140,870	37,724	-	452	37,000	724	18,110	40,555	96,389	1.80
Total Paid in Debt Service =											602,000	132,956				

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Hanksville
 COUNTY: Wayne
 PROJECT DESCRIPTION: Water line replacement, meters

FUNDING SOURCE: Federal SRF

70 % Loan & 30 % P.F.

ESTIMATED POPULATION:	219	NO. OF CONNECTIONS:	148 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$27.35 *			PROJECT TOTAL:	\$601,548
CURRENT % OF AGI:	1.76%	FINANCIAL PTS:	45	LOAN AMOUNT:	\$421,000
ESTIMATED MEDIAN AGI:	\$18,692			PRINC. FORGIVE.:	\$180,548
STATE AGI:	\$41,923			TOTAL REQUEST:	\$601,548
SYSTEM % OF STATE AGI:	45%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 3.06%		AFTER REPAYMENT PENALTY & POINTS 0.00%
<u>SYSTEM</u>				
ASSUMED LENGTH OF DEBT, YRS:	30	30		30
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.06%		0.00%
REQUIRED DEBT SERVICE:	\$14,033.33	\$21,646.03		\$14,033.33
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$1,403.33	\$2,164.60		\$1,403.33
ANNUAL NEW DEBT PER CONNECTION:	\$104.30	\$160.88		\$104.30
O & M + FUNDED DEPRECIATION:	\$33,569.00	\$33,569.00		\$33,569.00
OTHER DEBT + COVERAGE:	\$22,637.50	\$22,637.50		\$22,637.50
REPLACEMENT RESERVE ACCOUNT:	\$3,285.62	\$3,666.25		\$3,285.62
ANNUAL EXPENSES PER CONNECTION:	\$401.97	\$404.55		\$401.97
TOTAL SYSTEM EXPENSES	\$74,928.78	\$83,683.38		\$74,928.78
TAX REVENUE:	\$6,000.00	\$6,000.00		\$6,000.00
<u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$42.19	\$47.12		\$42.19
% OF ADJUSTED GROSS INCOME:	2.71%	3.02%		2.71%

* Equivalent Residential Connections

Hanksville

PROPOSED BOND REPAYMENT SCHEDULE

70 % Loan & 30 % P.F.

PRINCIPAL	\$421,000.00	ANTICIPATED CLOSING DATE	15-Jan-17
INTEREST	0.00%	FIRST P&I PAYMENT DUE	01-Jan-18
TERM	30	REVENUE BOND	
NOMIN. PAYMENT	\$14,033.33	PRINC. FORGIVE.:	\$180,548.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2017	\$421,000.00		\$0.00 *	\$0.00	\$0.00	\$421,000.00	0
2018	\$421,000.00		\$14,000.00	\$14,000.00	\$0.00	\$407,000.00	1
2019	\$407,000.00		\$14,000.00	\$14,000.00	\$0.00	\$393,000.00	2
2020	\$393,000.00		\$14,000.00	\$14,000.00	\$0.00	\$379,000.00	3
2021	\$379,000.00		\$14,000.00	\$14,000.00	\$0.00	\$365,000.00	4
2022	\$365,000.00		\$14,000.00	\$14,000.00	\$0.00	\$351,000.00	5
2023	\$351,000.00		\$14,000.00	\$14,000.00	\$0.00	\$337,000.00	6
2024	\$337,000.00		\$14,000.00	\$14,000.00	\$0.00	\$323,000.00	7
2025	\$323,000.00		\$14,000.00	\$14,000.00	\$0.00	\$309,000.00	8
2026	\$309,000.00		\$14,000.00	\$14,000.00	\$0.00	\$295,000.00	9
2027	\$295,000.00		\$14,000.00	\$14,000.00	\$0.00	\$281,000.00	10
2028	\$281,000.00		\$14,000.00	\$14,000.00	\$0.00	\$267,000.00	11
2029	\$267,000.00		\$14,000.00	\$14,000.00	\$0.00	\$253,000.00	12
2030	\$253,000.00		\$14,000.00	\$14,000.00	\$0.00	\$239,000.00	13
2031	\$239,000.00		\$14,000.00	\$14,000.00	\$0.00	\$225,000.00	14
2032	\$225,000.00		\$14,000.00	\$14,000.00	\$0.00	\$211,000.00	15
2033	\$211,000.00		\$14,000.00	\$14,000.00	\$0.00	\$197,000.00	16
2034	\$197,000.00		\$14,000.00	\$14,000.00	\$0.00	\$183,000.00	17
2035	\$183,000.00		\$14,000.00	\$14,000.00	\$0.00	\$169,000.00	18
2036	\$169,000.00		\$14,000.00	\$14,000.00	\$0.00	\$155,000.00	19
2037	\$155,000.00		\$14,000.00	\$14,000.00	\$0.00	\$141,000.00	20
			\$280,000.00	\$280,000.00	\$0.00		

*Interest Only Payment

Hanksville

DWB Loan Terms

Local Share (total):	\$	-
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	180,548
DWB Loan Amount:	\$	421,000
DWB Loan Term:		30
DWB Loan Interest:		0.00%
DWB Loan Payment:	\$	14,033

DW Expenses (Estimated)

Proposed Facility Capital Cost:	#VALUE!
Existing Facility O&M Expense:	\$ 33,569
Proposed Facility O&M Expense:	\$ 33,569
O&M Inflation Factor:	1.0%
Existing Debt Service:	\$ 18,110

DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		148
Projected Growth Rate:		1.0%
Impact Fee/Connection Fee:	\$	5,000
Current Monthly User Charge:	\$	27.35
Needed Average Monthly User Charge:	\$	42.19

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%	1	148	48,582	5,000	6,000	59,582	-	-	421,000	-	-	18,110	33,569	51,679	-
1	1.0%	1	149	75,435	5,000	6,000	86,435	14,000	1,403	407,000	14,000	-	18,110	33,569	67,082	1.65
2	1.0%	2	151	76,448	10,000	6,000	92,448	14,000	1,403	393,000	14,000	-	18,110	33,905	67,418	1.82
3	1.0%	1	152	76,954	5,000	6,000	87,954	14,000	1,403	379,000	14,000	-	18,110	34,244	67,757	1.67
4	1.0%	2	154	77,966	10,000	6,000	93,966	14,000	1,403	365,000	14,000	-	18,110	34,586	68,100	1.85
5	1.0%	2	156	78,979	10,000	6,000	94,979	14,000	1,403	351,000	14,000	-	18,110	34,932	68,445	1.87
6	1.0%	1	157	79,485	5,000	6,000	90,485	14,000	1,403	337,000	14,000	-	18,110	35,281	68,795	1.72
7	1.0%	2	159	80,498	10,000	6,000	96,498	14,000	1,403	323,000	14,000	-	18,110	35,634	69,148	1.90
8	1.0%	1	160	81,004	5,000	6,000	92,004	14,000	1,403	309,000	14,000	-	18,110	35,991	69,504	1.74
9	1.0%	2	162	82,017	10,000	6,000	98,017	14,000	1,403	295,000	14,000	-	18,110	36,350	69,864	1.92
10	1.0%	1	163	82,523	5,000	6,000	93,523	14,000	1,403	281,000	14,000	-	18,110	36,714	70,227	1.77
11	1.0%	2	165	83,535	10,000	6,000	99,535	14,000		267,000	14,000	-	18,110	37,081	69,191	1.95
12	1.0%	2	167	84,548	10,000	6,000	100,548	14,000		253,000	14,000	-	18,110	37,452	69,562	1.96
13	1.0%	1	168	85,054	5,000	6,000	96,054	14,000		239,000	14,000	-	18,110	37,826	69,936	1.81
14	1.0%	2	170	86,067	10,000	6,000	102,067	14,000		225,000	14,000	-	18,110	38,205	70,315	1.99
15	1.0%	2	172	87,079	10,000	6,000	103,079	14,000		211,000	14,000	-	18,110	38,587	70,697	2.01
16	1.0%	2	174	88,092	10,000	6,000	104,092	14,000		197,000	14,000	-	18,110	38,973	71,083	2.03
17	1.0%	1	175	88,598	5,000	6,000	99,598	14,000		183,000	14,000	-	18,110	39,362	71,472	1.88
18	1.0%	2	177	89,611	10,000	6,000	105,611	14,000		169,000	14,000	-	18,110	39,756	71,866	2.05
19	1.0%	2	179	90,623	10,000	6,000	106,623	14,000		155,000	14,000	-	18,110	40,153	72,263	2.07
20	1.0%	2	181	91,636	10,000	6,000	107,636	14,000		141,000	14,000	-	18,110	40,555	72,665	2.09

Total Paid in Debt Service = 280,000 -

Agenda Item 4(C)(ii)(c)

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

APPLICANT'S REQUEST:

Bridge Hollow Water Association located in Summit County has a project consisting of drilling a new replacement well. The cost of the project is estimated at \$225,000. They scored 27.0 points on the project priority list.

STAFF COMMENTS:

The local MAGI for the Wanship area is \$62,689 (150% of the state MAGI), but their after project water bill is 1.88% of the local MAGI. Therefore they do qualify as a hardship community to receive principle forgiveness, extended term and a reduced interest/fee.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board authorize a loan of \$225,000 to Bridge Hollow Water Association with interest/fee of 1.0% for 30 years and \$67,000 in Principle Forgiveness. The repayable amount would be \$158,000. Conditions include resolving all issues on their compliance report.

APPLICANT'S LOCATION:

Bridge Hollow Water Association is located near Wanship in Summit County approximately 17 miles north of Park City.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

The project consists of drilling a new well source to increase their source capacity; the well will be a replacement well and be within 100 feet of the existing well

POPULATION GROWTH:

According to their application, the water association has a set number of residents and lots therefore there is no expected growth over the next 25 years. Projected populations and number of connections are shown in the table below:

Year	Population	Connections
2020	60	42
2025	60	42
2030	60	42
2035	60	42
2040	60	42

IMPLEMENTATION SCHEDULE:

FA Committee Conference Call:	Oct 2016
DWB Funding Authorization:	Nov 2016
Complete Design:	Jan 2017
Plan Approval:	Jan 2017
Advertise for Bids:	Jan 2017
Begin Construction:	Mar 2017
Complete Construction:	May 2017

COST ESTIMATE:

Legal – Bonding, Admin	\$15,000
Engineering- Plan, Design, CMS	\$45,000
Construction	\$150,000
Contingency	\$15,000
DDW Admin Fee	\$0
Total Project Cost	\$225,000

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 (1%, 30-yr)	\$158,000	70%
DWB Principle Forgiveness	\$67,000	30%
Self-Contribution	\$0	0%
Total Amount	\$225,000	100%

ESTIMATED ANNUAL COST OF WATER SERVICE:

Operation and Maintenance	\$40,495
Existing DW Debt Service	\$0
DDW Debt Service (1%, 30 yrs):	\$6,122
DDW Debt Reserve (10%):	\$612
DDW Coverage (15%):	n/a
Replacement Reserve Account (5%):	\$2,330
Annual Cost/ERC:	\$1,180
Monthly Cost/ERC:	\$98.33
Cost as % MAGI:	1.88%

CONTACT INFORMATION:

APPLICANT:	Bridge Hollow Water Association 600 Bridge Hollow Wanship, UT 84017 801-808-6776 macie_k_lee@yahoo.com
PRESIDING OFFICIAL & CONTACT PERSON:	Duane Fluckiger President 5367 W. 4700 S. SLC, UT 84118 801-969-3481 dawna@rmbs.us
CONSULTING ENGINEER:	Steven Jackson 3376 Stonehill Lane Cottonwood Heights, UT 84121 steve@jackson-engineering.com
TREASURER:	Michael Lee 801-808-6778 mikeandmacie@yahoo.com
WATER OPERATOR:	Mark Folker 700 Bridge Hollow Wanship, UT 84017 801-556-5339 markunion312@gmail.com
FINANCIAL CONSULTANT:	n/a
CITY ATTORNEY:	n/a
BOND ATTORNEY:	n/a

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Bridge Hollow
 COUNTY: Summit
 PROJECT DESCRIPTION: New Well

FUNDING SOURCE: Federal SRF

70 % Loan & 30 % P.F.

ESTIMATED POPULATION:	60	NO. OF CONNECTIONS:	42 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$50.00 *			PROJECT TOTAL:	\$225,000
CURRENT % OF AGI:	0.96%	FINANCIAL PTS:	12	LOAN AMOUNT:	\$158,000
ESTIMATED MEDIAN AGI:	\$62,689			PRINC. FORGIVE.:	\$67,000
STATE AGI:	\$41,923			TOTAL REQUEST:	\$225,000
SYSTEM % OF STATE AGI:	150%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 3.06%		AFTER REPAYMENT PENALTY & POINTS 1.00%
<u>SYSTEM</u>				
ASSUMED LENGTH OF DEBT, YRS:	30	30		30
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.06%		1.00%
REQUIRED DEBT SERVICE:	\$5,266.67	\$8,123.69		\$6,122.20
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$526.67	\$812.37		\$612.22
ANNUAL NEW DEBT PER CONNECTION:	\$137.94	\$212.76		\$160.34
O & M + FUNDED DEPRECIATION:	\$40,495.00	\$40,495.00		\$40,495.00
OTHER DEBT + COVERAGE:	\$0.00	\$0.00		\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$2,288.08	\$2,430.93		\$2,330.86
ANNUAL EXPENSES PER CONNECTION:	\$1,018.64	\$1,022.05		\$1,019.66
TOTAL SYSTEM EXPENSES	\$48,576.42	\$51,861.99		\$49,560.28
TAX REVENUE:	\$0.00	\$0.00		\$0.00
<u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$96.38	\$102.90		\$98.33
% OF ADJUSTED GROSS INCOME:	1.84%	1.97%		1.88%

* Equivalent Residential Connections

R309-700-5

Bridge Hollow

Summit

October 3, 2016

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	
F. \$5,001 to \$10,000	1	X
G. Over \$10,000	0	
	\$5,357	
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	X
F. Greater than 150% of State Median AGI	0	
	150%	
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	
c. 5 to 10% of project funds	8	
d. 2 to 5% of project funds	4	
e. Less than 2% of project funds	0	X
	0.0%	
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	X
d. 1.01 to 1.50% of local median AGI	3	
e. 0 to 1.00% of local median AGI	0	
	1.88%	
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	
B. Has a replacement fund equal to at least 15% or 20% of annual DW budget.	5	
C. Is creating or enhancing a regionalization plan	16	
D. Has a rate structure encouraging conservation	6	
TOTAL POINTS FOR FINANCIAL NEED	12	
TOTAL POSSIBLE POINTS FOR FINANCIAL NEED	100	

Bridge Hollow

PROPOSED BOND REPAYMENT SCHEDULE

70 % Loan & 30 % P.F.

PRINCIPAL	\$158,000.00	ANTICIPATED CLOSING DATE	15-Dec-16
INTEREST	1.00%	FIRST P&I PAYMENT DUE	15-Dec-17
TERM	30	REVENUE BOND	
NOMIN. PAYMENT	\$6,122.20	PRINC. FORGIVE.:	\$67,000.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2016	\$158,000.00		\$0.00 *	\$0.00	\$0.00	\$158,000.00	0
2017	\$158,000.00		\$6,580.00	\$5,000.00	\$1,580.00	\$153,000.00	1
2018	\$153,000.00		\$6,530.00	\$5,000.00	\$1,530.00	\$148,000.00	2
2019	\$148,000.00		\$6,480.00	\$5,000.00	\$1,480.00	\$143,000.00	3
2020	\$143,000.00		\$6,430.00	\$5,000.00	\$1,430.00	\$138,000.00	4
2021	\$138,000.00		\$6,380.00	\$5,000.00	\$1,380.00	\$133,000.00	5
2022	\$133,000.00		\$6,330.00	\$5,000.00	\$1,330.00	\$128,000.00	6
2023	\$128,000.00		\$6,280.00	\$5,000.00	\$1,280.00	\$123,000.00	7
2024	\$123,000.00		\$6,230.00	\$5,000.00	\$1,230.00	\$118,000.00	8
2025	\$118,000.00		\$6,180.00	\$5,000.00	\$1,180.00	\$113,000.00	9
2026	\$113,000.00		\$6,130.00	\$5,000.00	\$1,130.00	\$108,000.00	10
2027	\$108,000.00		\$6,080.00	\$5,000.00	\$1,080.00	\$103,000.00	11
2028	\$103,000.00		\$6,030.00	\$5,000.00	\$1,030.00	\$98,000.00	12
2029	\$98,000.00		\$5,980.00	\$5,000.00	\$980.00	\$93,000.00	13
2030	\$93,000.00		\$5,930.00	\$5,000.00	\$930.00	\$88,000.00	14
2031	\$88,000.00		\$5,880.00	\$5,000.00	\$880.00	\$83,000.00	15
2032	\$83,000.00		\$5,830.00	\$5,000.00	\$830.00	\$78,000.00	16
2033	\$78,000.00		\$5,780.00	\$5,000.00	\$780.00	\$73,000.00	17
2034	\$73,000.00		\$5,730.00	\$5,000.00	\$730.00	\$68,000.00	18
2035	\$68,000.00		\$5,680.00	\$5,000.00	\$680.00	\$63,000.00	19
2036	\$63,000.00		\$5,630.00	\$5,000.00	\$630.00	\$58,000.00	20
2037	\$58,000.00		\$5,580.00	\$5,000.00	\$580.00	\$53,000.00	21
2038	\$53,000.00		\$5,530.00	\$5,000.00	\$530.00	\$48,000.00	22
2039	\$48,000.00		\$6,480.00	\$6,000.00	\$480.00	\$42,000.00	23
2040	\$42,000.00		\$6,420.00	\$6,000.00	\$420.00	\$36,000.00	24
2041	\$36,000.00		\$6,360.00	\$6,000.00	\$360.00	\$30,000.00	25
2042	\$30,000.00		\$6,300.00	\$6,000.00	\$300.00	\$24,000.00	26
2043	\$24,000.00		\$6,240.00	\$6,000.00	\$240.00	\$18,000.00	27
2044	\$18,000.00		\$6,180.00	\$6,000.00	\$180.00	\$12,000.00	28
2045	\$12,000.00		\$6,120.00	\$6,000.00	\$120.00	\$6,000.00	29
2046	\$6,000.00		\$6,060.00	\$6,000.00	\$60.00	\$0.00	30
			\$183,370.00	\$158,000.00	\$25,370.00		

*Interest Only Payment

Bridge Hollow

DWB Loan Terms

Local Share (total):	\$	-
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	67,000
DWB Loan Amount:	\$	158,000
DWB Loan Term:		30
DWB Loan Interest:		1.00%
DWB Loan Payment:	\$	6,122

DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$	225,000
Existing Facility O&M Expense:	\$	40,495
Proposed Facility O&M Expense:	\$	40,495
O&M Inflation Factor:		0.0%
Existing Debt Service:	\$	-

DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		42
Projected Growth Rate:		0.0%
Impact Fee/Connection Fee:	\$	5,000
Current Monthly User Charge:	\$	50.00
Needed Average Monthly User Charge:	\$	98.33

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	0.0%	0	42	25,200	-	-	25,200	-	-	158,000	-	-	-	40,495	40,495	-
1	0.0%	0	42	49,560	-	-	49,560	6,580	612	153,000	5,000	1,580	-	40,495	47,687	1.38
2	0.0%	0	42	49,560	-	-	49,560	6,530	612	148,000	5,000	1,530	-	40,495	47,637	1.39
3	0.0%	0	42	49,560	-	-	49,560	6,480	612	143,000	5,000	1,480	-	40,495	47,587	1.40
4	0.0%	0	42	49,560	-	-	49,560	6,430	612	138,000	5,000	1,430	-	40,495	47,537	1.41
5	0.0%	0	42	49,560	-	-	49,560	6,380	612	133,000	5,000	1,380	-	40,495	47,487	1.42
6	0.0%	0	42	49,560	-	-	49,560	6,330	612	128,000	5,000	1,330	-	40,495	47,437	1.43
7	0.0%	0	42	49,560	-	-	49,560	6,280	612	123,000	5,000	1,280	-	40,495	47,387	1.44
8	0.0%	0	42	49,560	-	-	49,560	6,230	612	118,000	5,000	1,230	-	40,495	47,337	1.46
9	0.0%	0	42	49,560	-	-	49,560	6,180	612	113,000	5,000	1,180	-	40,495	47,287	1.47
10	0.0%	0	42	49,560	-	-	49,560	6,130	612	108,000	5,000	1,130	-	40,495	47,237	1.48
11	0.0%	0	42	49,560	-	-	49,560	6,080		103,000	5,000	1,080	-	40,495	46,575	1.49
12	0.0%	0	42	49,560	-	-	49,560	6,030		98,000	5,000	1,030	-	40,495	46,525	1.50
13	0.0%	0	42	49,560	-	-	49,560	5,980		93,000	5,000	980	-	40,495	46,475	1.52
14	0.0%	0	42	49,560	-	-	49,560	5,930		88,000	5,000	930	-	40,495	46,425	1.53
15	0.0%	0	42	49,560	-	-	49,560	5,880		83,000	5,000	880	-	40,495	46,375	1.54
16	0.0%	0	42	49,560	-	-	49,560	5,830		78,000	5,000	830	-	40,495	46,325	1.55
17	0.0%	0	42	49,560	-	-	49,560	5,780		73,000	5,000	780	-	40,495	46,275	1.57
18	0.0%	0	42	49,560	-	-	49,560	5,730		68,000	5,000	730	-	40,495	46,225	1.58
19	0.0%	0	42	49,560	-	-	49,560	5,680		63,000	5,000	680	-	40,495	46,175	1.60
20	0.0%	0	42	49,560	-	-	49,560	6,060		57,000	6,000	60	-	40,495	46,555	1.50

Total Paid in Debt Service = 101,000 21,530

Utah Department Of Environmental Quality

Division Of Drinking Water

BRIDGE HOLLOW WATER ASSOCIATION	PWS ID: UTAH22117	Rating: Corrective Action	11/13/2013	Active
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Legal Contact

BRIDGE HOLLOW WATER ASSN
 DUANE FLUCKINGER
 1501 OAK HAVEN LANE
 WANSHP, UT 84017
 Phone: 435-336-0712
 County: SUMMIT COUNTY
 System Type: Community
 Population: 60

Site Updates

Last Inventory Update: 04/10/2015
 Last Surveyor Update: 11/06/2014
 Surveyor: STEVEN J ONYSKO
 Operating Period: 1/1 - 12/31
 Last IPS Update: 10/11/2016 07:00:00

Consumptive Use Zone

Irrigation Zone: 2
 Date: 02/15/2013

Admin Contacts

Name	Title	Office	Emergency	Email
FLUCKINGER, DUANE	PRESIDENT	435-336-0712		dawna@rmbs.us

IPS Report**IPS Summary**

Total IPS Points	Admin & Physical Facilities	Quality & Monitoring	Operator Certification	Significant Deficiency
110	40	35	0	35

Physical Facility Points

Code	Description	Severity	Point Effective		
M001	CURRENT EMERGENCY RESPONSE PROGRAM REC		-10		
Facility	Comments	Status	Determined	Point Not Assessed	Point Assessed
	SYSTEM HAS A CURRENT EMERGENCY RESPONSE PLAN		07/28/2004		-10
M020	UNPROTECTED CROSS CONN PRESENT IN DIST SYSTEM	SIG	50		
Facility	Comments	Status	Determined	Point Not Assessed	Point Assessed
DS001 UTAH22117 DISTRIBUTION SYSTEM	THERE IS ONE HOMEOWNER WITH AN IN-HOUSE BOOSTER PUMP, WHOSE DESIGN NEEDS TO BE SUBMITTED BY THE PWS TO DDW FOR POSSIBLE EXCEPTION TO RULE R309-540-5(4)(C), WHICH OTHERWISE PROHIBITS HOME BOOSTER PUMPS;THERE IS ONE HO	Active	11/06/2014		50

Total Effective Points: 40**Significant Deficiency Violations**

ID	Violation	Code	Deficiency	Determined	Point Effective
DS001	45 FAILURE ADDRESS DEFICIENCY (GWR)	M020	UNPROTECTED CROSS CONN PRESENT IN DIST SYSTEM	07/06/2015	35

Total Effective Points: 35

Microbial Rule Violations

Determined	Compliance Period	Code	Violation Type	Return To Compliance	Point Effective
08/16/2016	07/01/2016 - 07/31/2016	3A	MONITORING, ROUTINE, MAJOR (RTCR)	N	35

Total Effective Points: 35

Operator Certification Points

Type	Level Required	Highest Certificate	Point Effective
Distribution	Small System	Small System	0
Treatment			0

Total Effective Points: 0

Agenda Item 5(A)

ADOPTION OF AMENDMENT TO R309-105-15

On August 30, 2016, the Drinking Water Board authorized the Division of Drinking Water to initiate the rulemaking process to amend rule R309-105-15, *General Responsibilities of Public Water Systems: Report Submittal*.

The proposed amendment to R309-105-15 would do the following:

1. Require a public water system to submit water use data, if required by the state, and to verify the accuracy of that data
2. Require a public water system to comply with all report submittal requirements of the R309 drinking water rules
3. Change the title of R309-105-15 from *Annual Reports to Report Submittal*

The proposed amendment is the result of H.B. 305 (2016). It amended Title 19, Chapter 4, Subsection (1)(c)(iv) of the Utah Code by directing the Drinking Water Board to require a certified operator of a public water supplier to verify by signature and certification number, or a professional engineer performing the duties of a certified water operator to verify by signature and stamp, the accuracy of any data on water use and water supply submitted by the public water supplier to the division. To implement the new requirements, the division proposed the amendment to R309-105-15.

The 30-day comment period for the proposed amendment was held from October 1 through October 31, 2016. No comments were received. Therefore, the amendment can be adopted as originally proposed.

Two versions of the amendment to R309-105-15 are attached. One shows the changes in red, with new language underlined and deleted language struck through. The other has incorporated the changes and shows the amended rule as it will be filed with the Division of Administrative Rules.

Staff Recommendation: Division staff recommends that the Board adopt the amendment to R309-105-15 and authorize staff to make the amended rule effective on November 22, 2016.

R309. Environmental Quality, Drinking Water.

R309-105. Administration: General Responsibilities of Public Water Systems.

R309-105-15. ~~[Annual]~~Report~~[s]~~ Submittal.

~~[All community water systems shall be required to complete annual report forms furnished by the Division of Drinking Water. The information to be provided shall include: the status of all water system projects started during the previous year; water demands met by the system; problems experienced; and anticipated projects.]~~

(1) A public water system shall submit water use data if required by a state agency and shall verify the accuracy of the data by including a certification by a certified operator or a professional engineer performing the duties of a certified operator.

(2) A public water system shall comply with the report submittal requirements of the R309 rules.

KEY: drinking water, watershed management

Date of Enactment or Last Substantive Amendment: ~~[May 1, 2016]~~
November 22, 2016

Notice of Continuation: March 13, 2015

Authorizing, and Implemented or Interpreted Law: 19-4-104

R309. Environmental Quality, Drinking Water.

R309-105. Administration: General Responsibilities of Public Water Systems.

R309-105-15. Report Submittal.

(1) A public water system shall submit water use data if required by a state agency and shall verify the accuracy of the data by including a certification by a certified operator or a professional engineer performing the duties of a certified operator.

(2) A public water system shall comply with the report submittal requirements of the R309 rules.

KEY: drinking water, watershed management

Date of Enactment or Last Substantive Amendment: November 22, 2016

Notice of Continuation: March 13, 2015

Authorizing, and Implemented or Interpreted Law: 19-4-104

Agenda Item 5(B)

ADOPTION OF AMENDMENT TO R309-400-12

On August 30, 2016, the Drinking Water Board authorized the Division of Drinking Water to initiate the rulemaking process to amend rule R309-400-12, *Water System Rating Criteria: Reporting and Record Maintenance Issues*.

The proposed amendment to R309-400-12 would do the following:

1. Permit the Division of Drinking Water to assess 50 deficiency points to a water system that fails to submit water use data required by the state or fails to verify the accuracy of the data as required by R309-105-15
2. Permit the Division of Drinking Water to assess 20 deficiency points to a water system that fails to submit operational or other reports required by the Division

The proposed amendment is the result of H.B. 305 (2016). It amended Title 19, Chapter 4, Subsection (1)(c)(iv) of the Utah Code by directing the Drinking Water Board to require a certified operator of a public water supplier to verify by signature and certification number, or a professional engineer performing the duties of a certified water operator to verify by signature and stamp, the accuracy of any data on water use and water supply submitted by the public water supplier to the division. The division proposed an amendment to R309-105-15 to implement the new requirements and proposed this amendment to R309-400-12 to enforce the requirements by establishing deficiency points to be assessed to a water system that violates the reporting requirements.

The 30-day comment period for the proposed amendment was held from October 1 through October 31, 2016. No comments were received. Therefore, the amendment can be adopted as originally proposed.

Two versions of the amendment to R309-400-12 are attached. One shows the changes in red, with new language underlined and deleted language struck through. The other has incorporated the changes and shows the amended rule as it will be filed with the Division of Administrative Rules.

Staff Recommendation: Division staff recommends that the Board adopt the amendment to R309-400-12 and authorize staff to make the amended rule effective on November 22, 2016.

R309. Environmental Quality, Drinking Water.

R309-400. Water System Rating Criteria.

R309-400-12. Reporting and Record Maintenance Issues.

Points may be assessed for failure to provide required reports to the Director by the reporting deadline. The points shall be assigned as the failure occurs and shall remain on record for a period of one year.

(1) Monthly Reports:

(a) For each failure to report the monthly water treatment plant report, 100 points shall be assessed.

(2) Quarterly Reports:

(a) For each failure to report the quarterly disinfection report, 50 points shall be assessed.

(3) Annual and Other Reports:

(a) ~~[For failure to provide the annual report, 2 points shall be assessed.]~~ A public water system that fails to submit water use data required by a state agency or fails to verify the accuracy of the data by including a certification by a certified operator or a professional engineer performing the duties of a certified operator shall be assessed 50 points.

(b) Community water systems that fail to send a certification to the Division stating how the consumer confidence report was distributed to its customers as required in R309-225-7(3), 10 points shall be assessed.

(c) Community water systems that fail to mail a copy of the consumer confidence report to the Division as required in R309-225-7(3), 10 points shall be assessed.

(d) A public water system that fails to submit operational reports or other reports required by the Division shall be assessed 20 points.

KEY: drinking water, environmental protection, water system rating, penalties

Date of Enactment or Last Substantive Amendment: [November 17, 2014]

Notice of Continuation: March 13, 2015

Authorizing, and Implemented or Interpreted Law: 19-4-104

R309. Environmental Quality, Drinking Water.

R309-400. Water System Rating Criteria.

R309-400-12. Reporting and Record Maintenance Issues.

Points may be assessed for failure to provide required reports to the Director by the reporting deadline. The points shall be assigned as the failure occurs and shall remain on record for a period of one year.

(1) Monthly Reports:

(a) For each failure to report the monthly water treatment plant report, 100 points shall be assessed.

(2) Quarterly Reports:

(a) For each failure to report the quarterly disinfection report, 50 points shall be assessed.

(3) Annual and Other Reports:

(a) A public water system that fails to submit water use data required by a state agency or fails to verify the accuracy of the data by including a certification by a certified operator or a professional engineer performing the duties of a certified operator shall be assessed 50 points.

(b) Community water systems that fail to send a certification to the Division stating how the consumer confidence report was distributed to its customers as required in R309-225-7(3), 10 points shall be assessed.

(c) Community water systems that fail to mail a copy of the consumer confidence report to the Division as required in R309-225-7(3), 10 points shall be assessed.

(d) A public water system that fails to submit operational reports or other reports required by the Division shall be assessed 20 points.

KEY: drinking water, environmental protection, water system rating, penalties

Date of Enactment or Last Substantive Amendment: November 22, 2016

Notice of Continuation: March 13, 2015

Authorizing, and Implemented or Interpreted Law: 19-4-104

Agenda Item

6(A)

CHANGE TO PROPOSED RULE R309-535-5

The Division of Drinking Water is requesting authorization to make changes to proposed rule R309-535-5, *Fluoridation*. On August 30, 2016, the Drinking Water Board authorized the Division to begin rulemaking to amend the fluoridation rule. The proposed amendment was published in the Utah State Bulletin and the 30-day comment period ran from October 1 through October 31, 2016.

The division received comments from one person. Upon review of the comments, the division decided to change the proposed rule. Therefore, the division must publish the changes in the Utah State Bulletin and hold another 30-day comment period.

The DAR and DDW versions of the rule are attached and show the recommended changes based on the comments received. New language is underlined and deleted language is struck through.

Staff Recommendation: Staff recommends **that the Board authorize the division to begin the rulemaking process to change proposed rule R309-535-5 and to file the changed rule for publication in the Utah State Bulletin on December 15, 2016.**

Rule R309-535. Facility Design and Operation: Miscellaneous Treatment Methods.

R309-535-5. Fluoridation.

(1) This section does not require the addition of fluoride to drinking water by a public water system. However, a public water system that adds fluoride to drinking water shall comply with the fluoridation facility design and construction requirements of this section.

Guidance: A public water system may not exceed the primary maximum contaminant level for fluoride of 4.0 mg/L per R309-200-5(1)(c). A public water system that exceeds the secondary maximum contaminant level of 2.0 mg/L must issue the public notification required by R309-220-11.

A public water system that adds fluoride to drinking water should comply with the testing, monitoring and reporting requirements established by the local health department.

In Salt Lake and Davis counties, the local health departments have established the optimal level of fluoride in drinking water and the fluoridation monitoring and reporting requirements. Currently, the U.S. Department of Health and Human Services recommends an optimal fluoride concentration of 0.7 mg/L in drinking water to reduce cavities and tooth decay.

(2) General Requirements for all Fluoridation Installations.

The following requirements apply to all types of fluoridation.

(a) Chemicals and Materials.

(i) All chemicals used for fluoridation shall be certified to comply with ANSI/NSF Standard 60.

(ii) Materials used for fluoridation equipment shall be compatible with chemicals used in the fluoridation process.

(iii) Metal parts used in fluoridation equipment and present in the fluoridation room shall be corrosion resistant.

(iv) Lead weights shall not be used in fluoride chemical solutions to keep pump suction lines at the bottom of a day or bulk storage tank.

Guidance: Acid-resistant floor coating or a containment structure should be provided for areas likely to have acid spills.

(b) Chemical Storage.

- (i) Fluoride chemicals shall be stored in covered or sealed containers, inside a building, and away from direct sunlight and a source of heat.
- (ii) Fluoride chemicals shall not be stored with incompatible chemicals.
- (iii) Bags or other containers for dry materials shall be stored on pallets.
- (iv) ~~[Fiber drums for storing]~~Containers for dry materials shall be kept closed to keep out moisture.
- (v) A solution tank shall be labeled to identify the contents of the tank.

(c) Secondary Containment.

- (i) Secondary containment shall be provided for tanks containing corrosive fluoride solutions.
- (ii) Secondary containment shall be sized to contain the [quantity]maximum volume of solution handled.
- (iii) Secondary containment shall be designed to be acid resistant.

Guidance: Secondary containment may consist of curbs, sumps, double-walled tanks, etc.

Fluorosilicic acid and sodium fluorosilicate solutions both have low pH and are corrosive.

(d) Means to Measure.

- (i) A means to measure the flow of treated water shall be provided.
- (ii) A means shall be provided to measure the solution level in a tank and the quantity of the chemical used.

Guidance: The means to measure the solution level in a tank may include a liquid level indicator, a calibrated level gauge on the side of a translucent tank, weight scales, etc.

- (iii) A sampling point shall be provided downstream of the fluoridation facility for measuring the fluoride level of treated water.

(e) Fluoride Feed Pump.

(i) Sizing of fluoride feed pumps shall consider prevention of fluoride overfeed and operation efficiency.

(ii) A fluoride feed pump shall have an anti-siphon device.

(f) Electrical Outlet for Fluoride Feed Pump. ~~(i)~~ The electrical outlet used for a fluoride feed pump shall have interlock protection by being wired ~~[-electrically in series]~~ with the well or service pump, such that the feed pump is only activated when the well or service pump is on. ~~(ii)~~ The fluoride feed pump shall not be plugged into a continuously active ("hot") electrical outlet.

(g) Fluoride Injection.

(i) The fluoride injection line shall enter at a point in the lower one-third of the water ~~pipe~~line, and the end of the injection line shall be in the lower half of the water ~~pipe~~line.

(ii) The fluoride injection point shall allow adequate mixing.

(iii) The fluoride injection point shall not be located upstream of lime softening, ion exchange, or other processes that affect the fluoride level.

(iv) Each injector shall be selected based on the quantity of fluoride to be added, water flow, back pressure, and injector operating pressure.

Guidance: The design should minimize localized corrosion near the injection point.

(v) If injecting fluoride under pressure, a corporation stop ~~and a safety chain~~ shall be used at the fluoride injection point ~~[-to secure the injection line]~~.

(vi) An anti-siphon device shall be provided for all fluoride feed lines at the injection point.

(h) Minimize Fluoride Overfeed.

(i) In addition to the feed pump control, a secondary control mechanism shall be provided to minimize the possibility of fluoride overfeed. It may be a day tank, liquid level sensor, SCADA control, ~~a~~ flow switch, etc.

Guidance: The intent of the day tank is to limit the fluoride supply to the feed pump, especially if a large-size bulk tank is present. It is recommended that the day tank be sized to hold no more than 3 days of supply.

(ii) For fluoridation facilities that do not have operators on site, a day tank is required to minimize fluoride overfeed, unless two alternative secondary controls are provided.

Guidance: *For example, a fluoridation facility without operators on site may use secondary controls based on both the bulk tank liquid level sensor and the treated water fluoride level ~~SCADA data as secondary controls.~~*

Guidance: *To avoid fluoride overfeed, a flooded suction line should be avoided for the fluoride feed pump. The elevation of a fluoride feed pump should be based on pump priming requirements and suction head limitations.*

(i) Housing. Fluoridation equipment shall be housed in a secure building that is adequately sized for handling and storing fluoride chemicals.

(j) Heating, Lighting, Ventilation.

(i) The fluoridation building shall be heated, lighted and ventilated to assure proper operation of the equipment and safety of the operator.

(ii) The ventilation in the fluoride operating area shall provide at least six complete room-air changes per hour.

(iii) The fluoride operating area shall be vented to outside atmosphere and away from air intakes.

(iv) Separate switches for fans and lights in the fluoride operating area shall be provided. The switches shall be located outside ~~of,~~ or near ~~;~~ the entrance to the fluoride operating area, and shall be protected from vandalism.

(k) Cross Connection Control. Cross connection s control shall be eliminated by physical separation, provided by an air gap ~~;~~ or an approved and properly operating backflow prevention assembly.

(3) Additional Requirements for Fluorosilicic Acid Installations.

(a) Fluorosilicic acid shall not be diluted manually on site before injection.

(b) Solution Tank Vents.

(i) A bulk tank shall be vented.

(ii) ~~A solution tank shall be adequately vented to the outside atmosphere away from air intakes, above grade, and where least susceptible to contamination.~~ Tank venting shall be to the outside, above grade, away from air intakes, and where least susceptible to contamination (e.g., precipitation, dust, etc.)

(iii) A bulk tank shall not share a vent with a day tank if there is a risk of solution overflow from the bulk tank to the day tank.

(i~~ii~~)v A non-corrodible fine mesh (No. 14 or finer) screen shall be placed over the discharge end of a vent.

(c) If separate rooms are provided in a ~~fluoride building~~ fluoridation facility constructed after January 1, 2017, the design shall include a view window between the control room and the fluorosilicic acid operating area.

Guidance: It is recommended to have a separate room for the fluoride operating area due to possible damage from fluoride chemicals and vapors to other equipment.

(d) Emergency eyewash stations and showers shall be provided.

(e) A neutralizing chemical shall be available on site to handle small quantity accidental acid spills.

Guidance: The immediate use of a neutralizing chemical to handle an accidental acid spill is only suitable for small quantity spills during operation or maintenance, for example, minor spillage from the quick connect during unloading. For large quantity acid spills, the secondary containment is the primary means of containing the acid to allow proper handling of the acid later on.

(f) The use of personal protective equipment (PPE) is required when handling fluorosilicic acid, and shall include the following:

- (i) Full-face shield and splash-proof safety goggles
- (ii) Long gauntlet acid-resistant rubber or neoprene gloves with cuffs
- (iii) Acid-resistant rubber or neoprene aprons
- (iv) Rubber boots

(4) Additional Requirements for Fluoride Saturator Installations.

(a) A water meter shall be provided on the make-up water line for a saturator ~~[so that calculations can be made to confirm that the proper amounts of fluoride solution are being fed. This meter and the master meter shall be read daily and the results recorded]to determine the amount of fluoride solution being fed.~~

(b) The minimum depth of undissolved fluoride chemical required to maintain a saturated solution shall be marked on the outside of the saturator tank.

Guidance: Sodium fluorosilicate should not be used in saturators due to its poor solubility.

(c) The saturator shall not be operated in a manner that undissolved chemical is drawn into the pump suction line.

(d) The make-up water supply line shall~~[, at a minimum, either]~~ terminate at least two pipe diameters above the solution tank or have backflow protection.

(e) Make-up Water Softening.

(i) The make-up water used for sodium fluoride saturators shall be softened whenever the hardness exceeds 75 mg/L.

(ii) A sediment filter (20 mesh) shall be installed in the make-up water line going to the saturator. The filter shall be placed between the softener and the water meter.

(f) Dust Control. ~~Creation of fluoride dust shall be minimized during the transfer of dry fluoride compounds; when disposing of empty bags, drums, or barrels; and while cleaning. Provisions shall be made to minimize the creation of fluoride dust during the transfer of dry fluoride compounds.~~

~~(i) Air exhausted from fluoride handling equipment shall discharge through a dust filter to the atmosphere outside of the building.~~

~~(ii) Provisions shall be made to minimize dust when disposing of empty bags, drums or barrels.~~

~~(iii) A floor drain shall be provided to facilitate floor cleaning.~~

(c) Emergency eyewash shall be provided.

(d) The use of personal protective equipment (PPE) is required when handling dry chemicals and shall include the following:

(i) National Institute for Occupational Safety and Health (NIOSH) approved particulate respirator with a soft rubber face-to-mask seal and replaceable

cartridges

(ii) Chemical dust-resistant safety goggles

(iii) Acid-resistant gloves

(iv) Acid-resistant rubber or neoprene aprons

(v) Rubber boots

(5) Additional Requirements for Fluoride Dry Feed Installations.

(a) Volumetric and gravimetric dry feeders shall include a solution tank.

(b) A mechanical mixer shall be installed in the solution tank.

(c) Dust Control. ~~[Provisions shall be made to minimize the creation of fluoride dust during the transfer of dry fluoride compounds.]~~

~~(i) Creation of fluoride dust shall be minimized during the transfer of dry fluoride compounds; when disposing of empty bags, drums, or barrels; and while cleaning.~~

~~(ii) If a hopper is provided, it shall be equipped with a dust filter and an exhaust fan that places the hopper under negative pressure.~~

~~(iii) Air exhausted from fluoride handling equipment shall discharge through a dust filter to the atmosphere outside of the building.~~

~~[(iii) Provisions shall be made to minimize dust when disposing of empty bags, drums or barrels.]~~

~~(iv) A floor drain shall be provided to facilitate floor cleaning.]~~

(d) Emergency eyewash shall be provided.

(e) The use of personal protective equipment (PPE) is required when handling dry chemicals and shall include the following:

(i) National Institute for Occupational Safety and Health (NIOSH) approved particulate respirator with a soft rubber face-to-mask seal and replaceable cartridges

(ii) Chemical dust-resistant safety goggles

(iii) Acid-resistant gloves

(iv) Acid-resistant rubber or neoprene aprons

(v) Rubber boots

KEY: drinking water, miscellaneous treatment, stabilization, iron and manganese control

Date of Enactment or Last Substantive Amendment: ~~August 28, 2013~~

Notice of Continuation: March 22, 2010

Authorizing, and Implemented or Interpreted Law: 19-4-104

Rule R309-535. Facility Design and Operation: Miscellaneous Treatment Methods.

R309-535-5. Fluoridation.

(1) This section does not require the addition of fluoride to drinking water by a public water system. However, a public water system that adds fluoride to drinking water shall comply with the fluoridation facility design and construction requirements of this section.

(2) General Requirements for all Fluoridation Installations. The following requirements apply to all types of fluoridation.

(a) Chemicals and Materials.

(i) All chemicals used for fluoridation shall be certified to comply with ANSI/NSF Standard 60.

(ii) Materials used for fluoridation equipment shall be compatible with chemicals used in the fluoridation process.

(iii) Metal parts used in fluoridation equipment and present in the fluoridation room shall be corrosion resistant.

(iv) Lead weights shall not be used in fluoride chemical solutions to keep pump suction lines at the bottom of a day or bulk storage tank.

(b) Chemical Storage.

(i) Fluoride chemicals shall be stored in covered or sealed containers, inside a building, and away from direct sunlight and a source of heat.

(ii) Fluoride chemicals shall not be stored with incompatible chemicals.

(iii) Bags or other containers for dry materials shall be stored on pallets.

(iv) [Fiber drums for storing]Containers for dry materials shall be kept closed to keep out moisture.

(v) A solution tank shall be labeled to identify the contents of the tank.

(c) Secondary Containment.

(i) Secondary containment shall be provided for tanks containing corrosive fluoride solutions.

(ii) Secondary containment shall be sized to contain the [quantity]maximum volume of solution handled.

(iii) Secondary containment shall be designed to be acid resistant.

(d) Means to Measure.

(i) A means to measure the flow of treated water shall be provided.

(ii) A means shall be provided to measure the solution level in a tank and the quantity of the chemical used.

(iii) A sampling point shall be provided downstream of the fluoridation facility for measuring the fluoride level of treated water.

(e) Fluoride Feed Pump.

(i) Sizing of fluoride feed pumps shall consider prevention of fluoride overfeed and operation efficiency.

(ii) A fluoride feed pump shall have an anti-siphon device.

(f) Electrical Outlet for Fluoride Feed Pump.

~~[(i)]~~ The electrical outlet used for a fluoride feed pump shall have interlock protection by being wired ~~electrically in series~~ with the well or service pump, such that the feed pump is only activated when the well or service pump is on.

~~[(ii)]~~ The fluoride feed pump shall not be plugged into a continuously active ("hot") electrical outlet.

(g) Fluoride Injection.

(i) The fluoride injection line shall enter at a point in the lower one-third of the water pipeline, and the end of the injection line shall be in the lower half of the water pipeline.

(ii) The fluoride injection point shall allow adequate mixing.

(iii) The fluoride injection point shall not be located upstream of lime softening, ion exchange, or other processes that affect the fluoride level.

(iv) Each injector shall be selected based on the quantity of fluoride to be added, water flow, back pressure, and injector operating pressure.

(v) If injecting fluoride under pressure, a corporation stop ~~and a safety chain~~ shall be used at the fluoride injection point ~~to secure the injection line~~.

(vi) An anti-siphon device shall be provided for all fluoride feed lines at the injection point.

(h) Minimize Fluoride Overfeed.

(i) In addition to the feed pump control, a secondary control mechanism shall be provided to minimize the possibility of fluoride overfeed. It may be a day tank, liquid level sensor, SCADA control, ~~a~~ flow switch, etc.

(ii) For fluoridation facilities that do not have operators on site, a day tank is required to minimize fluoride overfeed, unless two alternative secondary controls are provided.

(i) Housing. Fluoridation equipment shall be housed in a secure building that is adequately sized for handling and storing fluoride chemicals.

(j) Heating, Lighting, Ventilation.

(i) The fluoridation building shall be heated, lighted and ventilated to assure proper operation of the equipment and safety of the operator.

(ii) The ventilation in the fluoride operating area shall provide at least six complete room-air changes per hour.

(iii) The fluoride operating area shall be vented to outside atmosphere and away from air intakes.

(iv) Separate switches for fans and lights in the fluoride operating area shall be provided. The switches shall be located outside ~~[of, —]~~ or near [] the entrance to the fluoride operating area, and shall be protected from vandalism.

(k) Cross Connection Control. Cross connection ~~[s]~~ control shall be ~~[eliminated by physical separation,]~~ provided by an air gap [] or an approved and properly operating backflow prevention assembly.

(3) Additional Requirements for Fluorosilicic Acid Installations.

(a) Fluorosilicic acid shall not be diluted manually on site before injection.

(b) Solution Tank Vents.

(i) A bulk tank shall be vented.

(ii) ~~[A solution tank shall be adequately vented to the outside atmosphere away from air intakes, above grade, and where least susceptible to contamination.]~~ Tank venting shall be to the outside, above grade, away from air intakes, and where least susceptible to contamination (e.g., precipitation, dust, etc.)

(iii) A bulk tank shall not share a vent with a day tank if there is a risk of solution overflow from the bulk tank to the day tank.

(i [ii] y) A non-corrodible fine mesh (No. 14 or finer) screen shall be placed over the discharge end of a vent.

(c) If separate rooms are provided in a [fluoride building]fluoridation facility constructed after January 1, 2017, the design shall include a view window between the control room and the fluorosilicic acid operating area.

(d) Emergency eyewash stations and showers shall be provided.

(e) A neutralizing chemical shall be available on site to handle small quantity accidental acid spills.

(f) The use of personal protective equipment (PPE) is required when handling fluorosilicic acid, and shall include the following:

(i) Full-face shield and splash-proof safety goggles

(ii) Long gauntlet acid-resistant rubber or neoprene gloves with cuffs

(iii) Acid-resistant rubber or neoprene aprons

(iv) Rubber boots

(4) Additional Requirements for Fluoride Saturator Installations.

(a) A water meter shall be provided on the make-up water line for a saturator ~~[so that calculations can be made to confirm that the proper amounts of fluoride solution are being fed. This meter and the master meter shall be read daily and the results recorded]~~ to determine the amount of fluoride solution being fed.

(b) The minimum depth of undissolved fluoride chemical required to maintain a saturated solution shall be marked on the outside of the saturator tank.

(c) The saturator shall not be operated in a manner that undissolved chemical is drawn into the pump suction line.

(d) The make-up water supply line shall ~~[, at a minimum, either]~~ terminate at least two pipe diameters above the solution tank or have backflow protection.

(e) Make-up Water Softening.

(i) The make-up water used for sodium fluoride saturators shall be softened whenever the hardness exceeds 75 mg/L.

(ii) A sediment filter (20 mesh) shall be installed in the make-up water line going to the saturator. The filter shall be placed between the softener and the water meter.

(f) Dust Control. Creation of fluoride dust shall be minimized during the transfer of dry fluoride compounds; when disposing of empty bags, drums, or barrels; and while cleaning. ~~[Provisions shall be made to minimize the creation of fluoride dust during the transfer of dry fluoride compounds.]~~

~~(i) Air exhausted from fluoride handling equipment shall discharge through a dust filter to the atmosphere outside of the building.~~

~~(ii) Provisions shall be made to minimize dust when disposing of empty bags, drums or barrels.~~

~~(iii) A floor drain shall be provided to facilitate floor cleaning.]~~

(g) Emergency eyewash shall be provided.

(h) The use of personal protective equipment (PPE) is required when handling dry chemicals and shall include the following:

(i) National Institute for Occupational Safety and Health (NIOSH) approved particulate respirator with a soft rubber face-to-mask seal and replaceable cartridges

(ii) Chemical dust-resistant safety goggles

(iii) Acid-resistant gloves

(iv) Acid-resistant rubber or neoprene aprons

(v) Rubber boots

(5) Additional Requirements for Fluoride Dry Feed Installations.

(a) Volumetric and gravimetric dry feeders shall include a solution tank.

(b) A mechanical mixer shall be installed in the solution tank.

(c) Dust Control. ~~[Provisions shall be made to minimize the creation of fluoride dust during the transfer of dry fluoride compounds.]~~

(i) Creation of fluoride dust shall be minimized during the transfer of dry fluoride compounds; when disposing of empty bags, drums, or barrels; and while cleaning.

(ii) If a hopper is provided, it shall be equipped with a dust filter and an exhaust fan that places the hopper under negative pressure.

(iii) Air exhausted from fluoride handling equipment shall discharge through a dust filter to the atmosphere outside of the building.

~~[(iii) Provisions shall be made to minimize dust when disposing of empty bags, drums or barrels.]~~

~~(iv) A floor drain shall be provided to facilitate floor cleaning.]~~

(d) Emergency eyewash shall be provided.

(e) The use of personal protective equipment (PPE) is required when handling dry chemicals and shall include the following:

(i) National Institute for Occupational Safety and Health (NIOSH) approved particulate respirator with a soft rubber face-to-mask seal and replaceable cartridges

(ii) Chemical dust-resistant safety goggles

(iii) Acid-resistant gloves

(iv) Acid-resistant rubber or neoprene aprons

(v) Rubber boots

KEY: drinking water, miscellaneous treatment, stabilization, iron and manganese control

Date of Enactment or Last Substantive Amendment: ~~[August 28, 2013]~~

Notice of Continuation: March 22, 2010

Authorizing, and Implemented or Interpreted Law: 19-4-104

Agenda Item 6(B)

Update on Proposed Rule R309-540

On August 30, 2016, the Drinking Water Board authorized the Division to begin rulemaking to amend R309-540, *Facility Design and Operation: Pump Stations*. The proposed amendment was published in the Utah State Bulletin and the 30-day comment period ran from October 1 through October 31, 2016.

The division received comments from one person. Upon review of the comments, the division decided to change the proposed rule. Because the changes are complicated, the division needs additional time to revise the rule. At some future date, the division will return to ask the board to authorize the rulemaking process to change the proposed rule.

For the time being, the rule amendment is on hold.

Agenda Item 9(A)

Proposed DWB 2017 Meeting Schedule

Drinking Water Board Meetings have historically been held on the 2nd Friday of the month in January, May, July, and November. Meetings are also held in conjunction with Rural Water Association of Utah conferences.

For calendar year 2017 the corresponding dates are as follows:

Friday, January 13

Thursday, March 2 (RWAU Annual Conference, St. George)

Friday, May 12

Friday, July 14

Wednesday, August 30 (RWAU Northern Conference, Layton)

Friday, November 10

Agenda Item 9(B)

CROSS CONNECTION CONTROL COMMISSION REPLACEMENT

The Cross Connection Control Commission currently has 7 members. Each Commission member is appointed to a two-year term. One of the members needs to be replaced this year:

Mark Baird has been selected to represent community drinking water suppliers as their representative on the Cross Connection Control Commission.

A Current Commission Roster and the Proposed Commission Roster is attached.

Staff Recommendations:

The Commission recommends that the Board approve Mark Baird as a member of the Cross Connection Control Commission for the term ending in 2018.

Mark Baird

Water and Sanitary Waste Superintendent, Clearfield City

Mark Baird started at Clearfield City as a water meter technician in 1988, then later progressed to a water foreman and now currently manages all water and sewer operations and maintenance within Clearfield City.

Mark graduated from Weber State University, magna cum laude in 2004 with a major in psychology and a minor in history. He is certified as a Grade IV Water Distribution System Operator, Waste Water Collection Operator and is currently a proctor trainer for backflow/cross connection control in the state of Utah.

Mark lives in Ogden, Utah with his wife, three kids, and granddaughter and enjoys traveling, snowboarding and motorcycle rides.

Cross Connection Control Commission

Member	Agency Represented	Agency Contact	Date of Original Appointment	Term of Office Expires
Will Nickell Utah Career Center 640 Billy Mitchell Road Salt Lake, Utah 84116 Phone: (801) 295-6198 will@ucctrades.com	Utah Career Center (formerly Utah Pipe Trades Education Program)	Will Nickell (801) 295-6198	October 13, 2015	December 31, 2017
Brett Christiansen Palmer – Christiansen Company 2510 South Temple Salt Lake City, Utah 84115 Phone: (801) 466-1679 brettchris@palmerchris.com	Utah Mechanical Contractors Association	Bob Bergman (801) 364-7768	October 13, 2015	December 31, 2015
Terry K. Smith Rural Water Association of Utah 76 Red Pine Drive Alpine, Utah 84627 Phone: (435) 756-5123 tsmith@rwaw.net	Rural Water Association of Utah	Dale Pierson (801) 756-5123	March 5, 2009	December 31, 2017
John Paul (JP) Franck Told Plumbing 501 South Main Pleasant Grove, Utah 84062 Phone: (801) 785-5559 JRMKFRANCK@msn.com	Utah Plumbing and Heating Contractors Association	David C. Hill (801) 307-5500	January 1, 2014	December 31, 2017
Mark Baird Clearfield City 497 South Main Street Clearfield, Utah 84015 Phone: (801) 525-4418 mark.baird@clearfieldcity.org	Utah League of Cities and Towns	Kenneth Bullock (801) 328-1601	October 12, 2016	December 31, 2018
Tim Collings Salt Lake City 451 South State Street, Suite 406 Salt Lake City, Utah 84111 Phone: (801) 535-6685 Tim.Collings@slcgov.com	Utah Association of Plumbing & Mechanical Officials	Bob Bennett (801) 657-3200	December 16, 2004	December 31, 2017
Robert L. Prince Backflow Services LLC 1796 West 1900 North Farr West, Utah 84404 Phone: (801) 782-3744 backflowservicesllc@gmail.com	Utah Chapter of the American Backflow Prevention Association	Brian Pattee (801) 846-6698	October 13, 2016	December 31, 2017

10/12/2016

Term is: 2 years

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