

DRINKING WATER BOARD
BOARD PACKET FOR EMERGENCY CONSTRUCTION LOAN

APPLICANT'S REQUEST:

In September 2016, Winchester Hills was authorized \$427,000 with an interest rate of 0% for 30 years with \$213,000 in principle forgiveness, where the repayable amount would be \$214,000. Their well source recently caved in, so they requested emergency funding. The estimated cost of drilling a new well was approximately \$624,000. They plan to contribute \$197,000 toward the project. Because this is an emergency, they scored 100 points on the project priority list.

STAFF COMMENTS:

On January 5, 2017, bids were opened and came in high. They are now requesting an additional \$160,000 to complete the project. The same 50/50 loan/P.F. split would be recommended.

The local MAGI for Winchester Hills is \$31,114 (74% of the state MAGI), and their after project water bill is 2.53% of the local MAGI. Therefore they do qualify as a hardship community to receive principle forgiveness, reduced interest rate and an extended term.

STAFF RECOMMENDATION:

Staff recommends to the Drinking Water Board that they authorize \$160,000 addition funding. This would result in a total funding package of \$587,000 with an interest rate of 0% for 30 years with \$293,000 in Principle Forgiveness. The repayable amount would be \$294,000. Their contribution of \$197,000 still applies.

Winchester Hills

PROPOSED BOND REPAYMENT SCHEDULE

50 % Loan & 50 % P.F.

PRINCIPAL	\$294,000.00	ANTICIPATED CLOSING DATE	23-Jan-17
INTEREST	0.00%	FIRST P&I PAYMENT DUE	23-Jan-18
TERM	30	REVENUE BOND	
NOMIN. PAYMENT	\$9,800.00	PRINC. FORGIVE.:	\$293,000.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2017	\$294,000.00		\$0.00 *	\$0.00	\$0.00	\$294,000.00	0
2018	\$294,000.00		\$9,000.00	\$9,000.00	\$0.00	\$285,000.00	1
2019	\$285,000.00		\$9,000.00	\$9,000.00	\$0.00	\$276,000.00	2
2020	\$276,000.00		\$9,000.00	\$9,000.00	\$0.00	\$267,000.00	3
2021	\$267,000.00		\$9,000.00	\$9,000.00	\$0.00	\$258,000.00	4
2022	\$258,000.00		\$9,000.00	\$9,000.00	\$0.00	\$249,000.00	5
2023	\$249,000.00		\$9,000.00	\$9,000.00	\$0.00	\$240,000.00	6
2024	\$240,000.00		\$10,000.00	\$10,000.00	\$0.00	\$230,000.00	7
2025	\$230,000.00		\$10,000.00	\$10,000.00	\$0.00	\$220,000.00	8
2026	\$220,000.00		\$10,000.00	\$10,000.00	\$0.00	\$210,000.00	9
2027	\$210,000.00		\$10,000.00	\$10,000.00	\$0.00	\$200,000.00	10
2028	\$200,000.00		\$10,000.00	\$10,000.00	\$0.00	\$190,000.00	11
2029	\$190,000.00		\$10,000.00	\$10,000.00	\$0.00	\$180,000.00	12
2030	\$180,000.00		\$10,000.00	\$10,000.00	\$0.00	\$170,000.00	13
2031	\$170,000.00		\$10,000.00	\$10,000.00	\$0.00	\$160,000.00	14
2032	\$160,000.00		\$10,000.00	\$10,000.00	\$0.00	\$150,000.00	15
2033	\$150,000.00		\$10,000.00	\$10,000.00	\$0.00	\$140,000.00	16
2034	\$140,000.00		\$10,000.00	\$10,000.00	\$0.00	\$130,000.00	17
2035	\$130,000.00		\$10,000.00	\$10,000.00	\$0.00	\$120,000.00	18
2036	\$120,000.00		\$10,000.00	\$10,000.00	\$0.00	\$110,000.00	19
2037	\$110,000.00		\$10,000.00	\$10,000.00	\$0.00	\$100,000.00	20
2038	\$100,000.00		\$10,000.00	\$10,000.00	\$0.00	\$90,000.00	21
2039	\$90,000.00		\$10,000.00	\$10,000.00	\$0.00	\$80,000.00	22
2040	\$80,000.00		\$10,000.00	\$10,000.00	\$0.00	\$70,000.00	23
2041	\$70,000.00		\$10,000.00	\$10,000.00	\$0.00	\$60,000.00	24
2042	\$60,000.00		\$10,000.00	\$10,000.00	\$0.00	\$50,000.00	25
2043	\$50,000.00		\$10,000.00	\$10,000.00	\$0.00	\$40,000.00	26
2044	\$40,000.00		\$10,000.00	\$10,000.00	\$0.00	\$30,000.00	27
2045	\$30,000.00		\$10,000.00	\$10,000.00	\$0.00	\$20,000.00	28
2046	\$20,000.00		\$10,000.00	\$10,000.00	\$0.00	\$10,000.00	29
2047	\$10,000.00		\$10,000.00	\$10,000.00	\$0.00	\$0.00	30
			\$294,000.00	\$294,000.00	\$0.00		

*Interest Only Payment

Winchester Hills Water Company

1090 West 5830 North

St. George UT 84770

(435) 673-9403

whwc@skyviewmail.com

www.winchesterhills.com

January 10, 2017

Utah Division of Drinking Water
c/o Rich Peterson
195 North 1950 West
Salt Lake City, UT 84116

Re: Winchester Hills Water Company Well 1 Replacement
Water System # 17049, Fed SRF# 3F277

To Whom It May Concern:

We have appreciated the help provided for funding of our emergency project. As we have indicated to you, we recently completed bidding of our well project and the bids came in approximately 25% higher than the estimates that were previously provided by the drilling companies. As we have evaluated our budget we are approximately \$160,000 short on funds to complete the project.

It is our understanding it may be possible to increase our loan amount by \$80,000 and the grant amount by \$80,000. This would increase our annual payments by approximately \$2,667. We have appreciated the assistance the board has provided and would appreciate it if they could accommodate this request in your next board meeting.

Sincerely,



Dan Westwood
Winchester Hills Water Company, President