

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

APPLICANT’S REQUEST:

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

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

STAFF COMMENTS:

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

Option	Loan / Grant	Principal Forgiveness	Loan	Term	Interest Rate (HGA)	Water Bill	% Local MAGI
1	100/0	0	\$630,015	20 yrs	0%	\$132.33	2.98%
2	0/100	\$630,015	0			\$83.16	1.87%

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

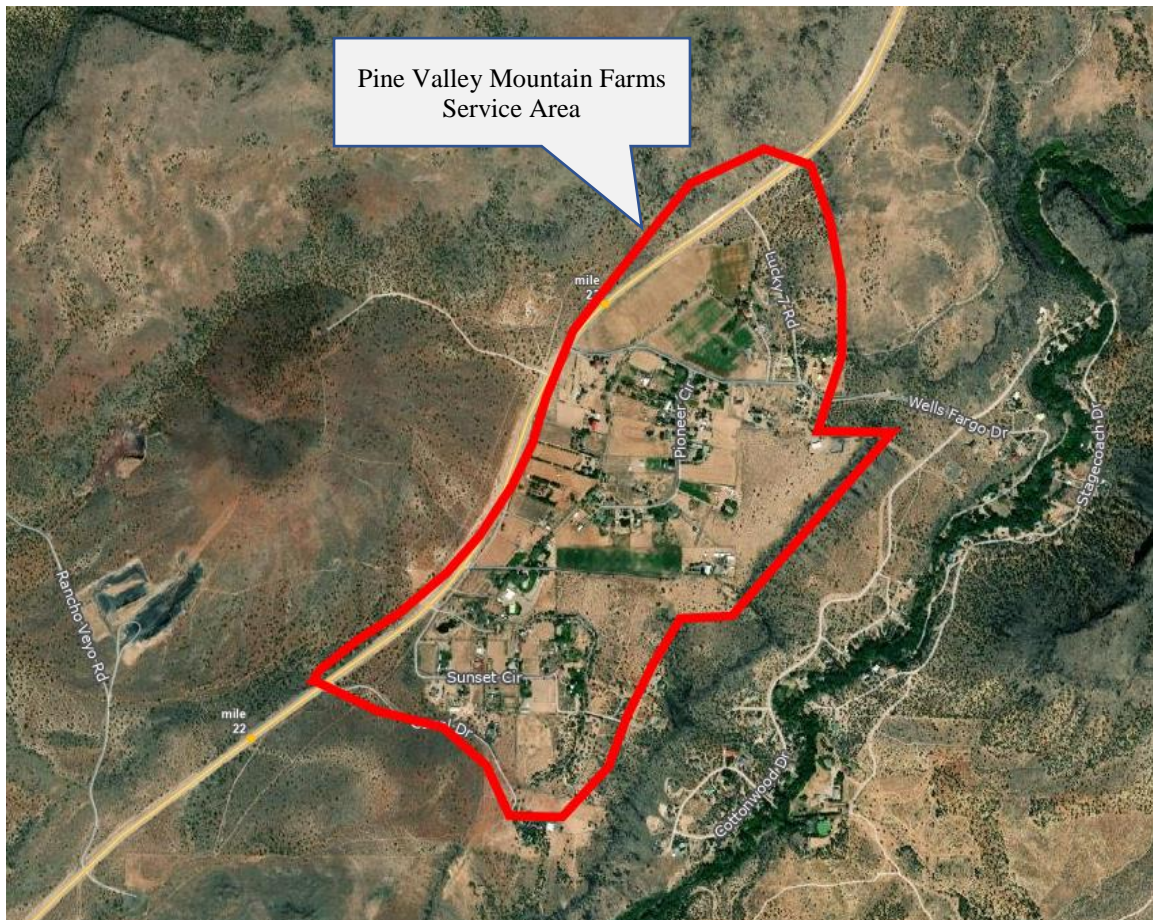
The Drinking Water Board authorize a construction loan of \$630,015 with 100% in principal forgiveness to Pine Valley Mountain Farms Water Company.

Pine Valley Mountain Farms does not have any IPS points.

APPLICANT'S LOCATION:

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

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

This application is for 4 different projects: 1) 32-year-old water tank needs full refurbish, including replacement of roof support beams, full sandblast and repaint; 2) new 1200-foot 8" water line installation to replace 46-year-old water line that has numerous leaks. 3) Emergency backup solar pump system to be installed in two wells; 4) purchase and installation of 75 electronic water meters to replace manual read meters installed in 1995.

POPULATION GROWTH:

Pine Valley Mountain Farms conducted an in-house study of population and over the last 10 years stated their population has decreased from 200 to between 140-150. Their connections have remained at 62 over that time period as well.

Year	Population	Connections
2020	144	62
2030	144	62
2040	144	62

COST ESTIMATE:

Engineering – Planning/Design	\$25,000
Construction -	\$642,295
Contingency (~10%)	\$32,705
1% Loan Origination Fee	Moved to Contingency
Total	\$700,000

COST ALLOCATION:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Principal Forgiveness	\$630,015	90%
Local Contribution	\$69,985	10%
Total	\$700,000	100%

IMPLEMENTATION SCHEDULE:

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

CONTACT INFORMATION:

APPLICANT: Pine Valley Mountain Farms Water Company
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PRESIDING OFFICIAL &
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CONSULTING ENGINEER: Glen Carnahan
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BOND ATTORNEY:

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

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

0 % Loan & 100 % P.F.

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

	@ ZERO % RATE 0%	@ RBBI MKT RATE 3.62%		AFTER REPAYMENT PENALTY & POINTS 0.00%
SYSTEM				
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.62%		0.00%
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:	\$42,331.00	\$42,331.00		\$42,331.00
OTHER DEBT + COVERAGE:	\$16,750.00	\$16,750.00		\$16,750.00
REPLACEMENT RESERVE ACCOUNT:	\$2,786.55	\$2,786.55		\$2,786.55
ANNUAL EXPENSES PER CONNECTION:	\$997.86	\$997.86		\$997.86
TOTAL SYSTEM EXPENSES	\$61,867.55	\$61,867.55		\$61,867.55
TAX REVENUE:	\$0.00	\$0.00		\$0.00
RESIDENCE				
MONTHLY NEEDED WATER BILL:	\$83.16	\$83.16		\$83.16
% OF ADJUSTED GROSS INCOME:	1.87%	1.87%		1.87%

\$0.00