



State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of
Environmental Quality

Kimberly D. Shelley
Executive Director

DIVISION OF WATER QUALITY
John K. Mackey, P.E.
Director

Water Quality Board
James Webb, Chair
Michelle Kaufusi, Vice Chair
Carly Castle
Michela Harris
Joseph Havasi
Trevor Heaton
Robert Fehr
Jill Jones
Kimberly D. Shelley
John K. Mackey
Executive Secretary

Utah Water Quality Board Meeting
MASOB
195 North 1950 West
Salt Lake City, UT 84116
and
Via [Zoom](#)

August 23, 2023
Board Meeting Begins at 8:30 am

AGENDA

Water Quality Board Meeting – Call to Order & Roll Call

Jim Webb

Minutes:

Approval of Minutes for June 28, 2023 Water Quality Board Meeting

Jim Webb

Recognition of Service Award Presentation:

Dr. Jennifer Weidhass for her service on the Wastewater Operator Certification Council

Jim Webb

Executive Secretary Report

John K. Mackey

Funding:

1. Financial Status Report
2. Request for Funding Monticello City
3. Request for Funding Wolf Creek Water & Sewer Improvement District
4. Request for Funding Brian Head Town
5. Request for Funding South Davis Sewer District
6. Request for Funding Mount Pleasant City
7. Request for Funding Lewiston City

Adriana Hernandez
Skyler Davies
Andrew Pompeo
George Meados
George Meados
Glen Lischeske
Beth Wondimu, Ken Hoffman

Other

1. Information Item, Introduction to the 2023 Triennial Review

Jake Vanderlaan

Public Comment Period

Work Meeting:

Introduction to the Engineering Section

Ken Hoffman

Meeting Adjournment

Jim Webb

**Next Meeting
September 27, 2023 at 8:30 am**

**MASOB & Via [Zoom](#)
195 North 1950 West
Salt Lake City, UT 84116**

DWQ-2023-122129



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MINUTES

**UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
UTAH WATER QUALITY BOARD**

MASOB
and
Via Zoom

June 28, 2023
8:30 am Meeting

UTAH WATER QUALITY BOARD MEMBERS PRESENT

Jim Webb	Jill Jones
Carly Castle	John Mackey
Trevor Heaton	
Michela Harris	
Mayor Kaufusi	
Robert Fehr	
<u>Excused</u>	
Joe Havasi	
Kim Shelly	

DIVISION OF WATER QUALITY STAFF MEMBERS PRESENT

Emily Cantón
Ken Hoffman
Clanci Hawks
Adrianna Hernandez
Adam Cossey
Harry Campbell
Robert Beers
Jeff Studenka
Jordan Bryant
Brendon Quirk
Judy Etherington

OTHERS PRESENT & ONLINE

Craig Anderson, AG's Office
Haley Sousa, AG's Office
Arianna Disser,SWCA
Jay Clark, DCHD
Dave Spence, DCHD
Pam Leach, Rockville
Trevor Schlossnagle

Mr. Webb, Vice Chair, called the Meeting to order at 8:30 AM.

ROLL CALL

Mr. Webb took roll call for the members of the Board.

INTORDUCTIONS OF NEW BOARD MEMBERS

Mr. Webb verified with the Executive Secretary, John Mackey, that all new Board Members have submitted their Oath of Office and proceeded with new Board Members introductions.

ELECTION FOR NEW CHAIR & VICE CHAIR

Vice Chair Jim Webb conducted the election for a new Chair and Vice Chair.

**Motion: Mayor Kaufusi motioned to nominate Jim Webb for Chair.
Carly Castle seconded the nomination. The motion passed unanimously and
Mr. Webb accepted the position of Chair.**

**Motion: Ms. Jones motioned to nominate Mayor Kaufusi for Vice Chair.
Mr. Fehr seconded the nomination. The motion passed unanimously and
Mayor Kaufusi accepted the position of Vice Chair.**

APPROVAL OF MINUTES OF MAY 23, 2023 BOARD MEETING

Mr. Webb moved to approve the minutes of the May 23, 2023 Board meeting.

There was one change that was requested to be corrected. Kane County's supplemental funding was authorized as a mix of a 30-year, 0% interest loan and a hardship grant. Minutes were to be corrected to accurately reflect the funding authorized by the Board.

Motion: **Ms. Harris motioned to accept the minutes with the corrections presented. Mr. Heaton seconded the motion. The motion passed unanimously to accept the changes and approve the May 23, 2023 meeting minutes.**

NEW BOARD MEMBER ORIENTAION & TRAINING BY CRAIG ANDERSON & HALEY SOUSA FROM THE ATTONRNEY GENERALS OFFICE.

Mr. Craig Anderson and Ms. Haley Sousa from the Attorney General's Office presented the new board member orientation and training regarding functions and duties of the Water Quality Board. Board member received a copy of the training manual and presentation slides.

EXECUTIVE SECRETARY REPORT

Mr. Mackey addressed the Board regarding the following:

- Work Meetings: DWQ will start to implement work meetings at the beginning of upcoming Board meetings. Sections will have an opportunity to explain their work and role within the Division. Board members may offer any suggestions regarding topics of interest for future work meetings.
- Triennial Review: The Colorado River Basin Salinity Control Forum is an organization made up of seven states surrounding the Upper Colorado and the Lower Colorado areas. The states participate to evaluate and develop standards. The review will be public noticed and open for public comment in the near future.
- Funding: During today's meeting, a funding application for the Town of Rockville hardship grant will be presented. Under the CWSRF program, the three main types of funding are planning grants, design advances, and construction assistance. The loans and grants are provided for wastewater capital improvements. In August, we will start looking at the priorities and funding of projects that submitted applications.
- Rules: During today's meeting, two rules will be presented to you. Both of the rules have already been approved by the Board to proceed with rule making and the public comment process has been completed.
- Mr. Mackey introduced Emily Cantón, Clanci Hawks, Adrianna Hernandez, Ken Hoffman, Leanna Littler-Wolf, and Jeff Studenka as Division staff that the Board will become acquainted with during future meetings. Mr. Mackey introduced new DWQ staff: Jordan Bryant from the General Permitting Section and Brendon Quirk as the new Spills Coordinator.
- No Board meeting will be held during the month of July.

FUNDING

Financial Status Report: Ms. Hernandez presented the financial status report to the Board as indicated in the packet.

Town of Rockville - Request for Hardship Planning Grant:

Mr. Beers presented the request for a hardship planning grant for the Town of Rockville. The request is for a grant in the amount of \$27,172 for a hydrologic water quality study South of the Virgin River to determine sewage management recommendations, allowable onsite (septic) system types, septic system densities, potential impact of development and increased wastewater on groundwater quality, and to serve as a basis for planning future development and growth. Mayor Leach of Rockville and Trevor Schlossnagle of the Utah Geological Survey were present during the meeting to answer questions.

A motion was requested to fund the town of Rockville a hardship grant with the special conditions that were recommended by the staff in the amount of \$27, 172.00.

Motion: Ms. Jones motioned to authorize a hardship planning grant to the Town of Rockville in the amount of \$27,172 with the special conditions outlined in the packet.
Mayor Kaufusi seconded the motion. The motion passed unanimously

OTHER

FY23 Intended Use Plan: Ms. Hernandez requested approval to submit the FY23 Intended Use Plan (IUP) for public comment. The IUP is used to apply for the EPA Clean Water Capitalization Grant.

Motion: Ms. Harris motioned to approve a public comment period for the FY23 Intended Use Plan.
Ms. Jones seconded the motion. The motion passed unanimously.

Motion: Mr. Heaton motioned to submit the EPA Capitalization Grant if no public comments are received.
Mr. Fehr seconded the motion. The motion passed unanimously.

Davis County Health Department Northwest Groundwater Study – Final Report: Mr. Beers presented the final report from Davis County Health Department for the northwest groundwater study as indicated in the packet. The full report is available in the Agenda. Jay Clark of the Davis County Health Department and Ari Disser of SWCA Environmental Consultants gave an in-depth presentation.

Adopt Utah Administrative Code, Rule 317-4 Onsite Wastewater Systems: Mr. Beers requested to adopt R317-4 for Onsite Wastewater Systems. This rule amendment was presented to the Board in March 2023. The proposed rule amendment and response to public comments are included in the packet.

Motion: Ms. Jones motioned to adopt Utah Administrative Code, Rule 317-4 Onsite Wastewater Systems.
Mr. Heaton seconded the motion. The motion passed unanimously.

Adopt Utah Administrative Code, Rule 317-101-3. Application & Project Initiation Procedures: Mr. Campbell presented the rule revision language as indicated in the packet. No public comments were received.

Motion: Ms. Jones motioned to adopt Utah Administrative Code, Rule 317-101-3 Application & Project Initiation Procedures.
Ms. Harris seconded the motion. The motion passed unanimously.

PUBLIC COMMENTS

No public comments were made.

MEETING ADJOURNMENT

Motion: Mr. Fehr motioned to adjourn the meeting.
Mr. Heaton seconded the motion. The motion passed unanimously.

Next Meeting – August 23, 2023
Meeting begins at 8:30 am

In-Person
MASOB
195 North 1950 West
Salt Lake City, UT 84116

Via Zoom
<https://us02web.zoom.us/j/7074990271>

James Webb, Chair
Utah Water Quality Board

LOAN FUNDS FINANCIAL STATUS REPORT AUGUST 2023

STATE REVOLVING FUND (SRF)	State Fiscal Year 2024	State Fiscal Year 2025	State Fiscal Year 2026	State Fiscal Year 2027	State Fiscal Year 2028
CAP Grant Base Program					
Capitalization Grant Awards (FY22)	\$ -				
Future Capitalization Grant	\$ 3,952,000				
State Cap Grant Match (FY22)	\$ -	\$ -	\$ -	\$ -	\$ -
Future State Cap Grant Match	\$ 790,400	\$ -	\$ -	\$ -	\$ -
CAP Grant General Supplemental					
General Supplemental Grants (FY22)	\$ 9,378,000	\$ -	\$ -	\$ -	\$ -
Future General Supplemental Grant	\$ 10,983,000	\$ 11,234,025	\$ 12,169,025	\$ 12,169,025	\$ -
State General Supplemental Grants Match (FY22)	\$ 937,800				
Future State Gen. Sup Grants Match	\$ 1,098,300	\$ 2,246,805	\$ 2,433,805	\$ 2,433,805	\$ -
SRF - 2nd Round					
Account Balance	\$ 19,178,127	\$ (78,280,290)	\$ (51,033,903)	\$ (23,160,254)	\$ 3,808,695
Interest Earnings at 5.1762%	\$ 909,973	\$ -	\$ -	\$ -	\$ -
Loan Repayments (5255)	\$ 8,602,482	\$ 20,164,590	\$ 20,165,402	\$ 18,728,941	\$ 22,461,849
Total Funds Available	\$ 55,830,082	\$ (44,634,870)	\$ (16,265,671)	\$ 10,171,517	\$ 26,270,544
CWSRF Program Obligations					
Admin Expenses for all CAP Grant Awards	\$ (1,037,080)	\$ (894,361)	\$ (931,761)	\$ (400,000)	\$ (400,000)
Cap Grant Principal Forgiveness (PF) (FY18-22)	\$ (13,534,600)				
Future Cap Grant (PF portion)	\$ (1,185,600)	\$ -	\$ -	\$ -	\$ -
General Supplemental Grants (PF portion)	\$ (4,595,220)				
Future General Supplemental Grants (PF portion)	\$ (5,381,670)	\$ (5,504,672)	\$ (5,962,822)	\$ (5,962,822)	
Project Obligations					
Moab City	\$ (80,000)	\$ -	\$ -	\$ -	\$ -
Provo City 262	\$ (8,800,500)	\$ -	\$ -	\$ -	\$ -
Provo City 262b	\$ (1,855,621)	\$ -	\$ -	\$ -	\$ -
South Salt Lake City (A)	\$ (524,000)	\$ -	\$ -	\$ -	\$ -
Millville City Loan	\$ (5,146,000)	\$ -	\$ -	\$ -	\$ -
Mountain Green	\$ (6,949,000)	\$ -	\$ -	\$ -	\$ -
Payson City	\$ (13,425,000)	\$ -	\$ -	\$ -	\$ -
Loan Authorizations					
Millville Refinance Loan	\$ (1,261,000)				
Long Valley	\$ (1,250,000)				
North Logan	\$ (3,500,000)				
Planned Projects					
South Davis*	\$ (46,814,000)				
Mt Pleasant*	\$ (2,670,000)				
Monticello*	\$ (1,250,000)				

*WQB Agenda Items

LOAN FUNDS FINANCIAL STATUS REPORT AUGUST 2023

Lewiston*	\$ (6,547,000)				
Wolf Creek*	\$ (6,404,081)				
Brian Head*	\$ (1,900,000)				
CWSRF Obligations	\$ (134,110,372)	\$ (6,399,033)	\$ (6,894,583)	\$ (6,362,822)	\$ (400,000)
CWSRF Remaining Loan Balance	\$ (78,280,290)	\$ (51,033,903)	\$ (23,160,254)	\$ 3,808,695	\$ 25,870,544
Add'l Subsidy - Principal Forgiveness					
PF Balances (max for FY18-22)	\$ 13,534,600	\$ 3,888,490	\$ 9,393,162	\$ 15,355,985	\$ 21,318,807
Future Cap Grant (PF portion)	\$ 1,185,600	\$ -	\$ -	\$ -	\$ -
General Supplemental Balances (PF portion)	\$ 4,595,220				
Future General Supplemental Grants (PF portion)	\$ 5,381,670	\$ 5,504,672	\$ 5,962,822	\$ 5,962,822	
Project Obligations					
South Salt Lake City (A)	\$ (3,760,000)	\$ -	\$ -	\$ -	\$ -
Millville City	\$ (3,604,000)	\$ -	\$ -	\$ -	\$ -
Provo City	\$ (7,000,000)	\$ -	\$ -	\$ -	\$ -
Payson City	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -
Millville City Refinance	\$ (3,750,000)	\$ -	\$ -	\$ -	\$ -
Add'l Subsidy Authorizations					
Hanksville	\$ (1,694,600)				
Planned Projects					
Principal Forgiveness Obligations	\$ (20,808,600)	\$ -	\$ -	\$ -	\$ -
Principal Forgiveness Remaining Balance	\$ 3,888,490	\$ 9,393,162	\$ 15,355,985	\$ 21,318,807	\$ 21,318,807
	State Fiscal Year	State Fiscal Year	State Fiscal Year	State Fiscal Year	State Fiscal Year
UTAH WASTEWATER LOAN FUND (UWLF)	2024	2025	2026	2027	2028
Funds Available					
UWLF	\$ 30,341,765	\$ 17,675,481	\$ 19,899,010	\$ 21,782,658	\$ 23,281,295
Sales Tax Revenue	\$ 2,532,524	\$ 3,587,500	\$ 3,587,500	\$ 3,587,500	\$ 3,587,500
Loan Repayments (5260)	\$ 1,806,092	\$ 2,808,235	\$ 2,655,353	\$ 2,270,341	\$ 2,298,785
Total Funds Available	\$ 34,680,381	\$ 24,071,215	\$ 26,141,863	\$ 27,640,500	\$ 29,167,580
General Obligations					
State Match Transfers Base Cap Grant	\$ (790,400)	\$ -	\$ -	\$ -	\$ -
State Match Transfers Gen. Supplemental Grant	\$ (937,800)	\$ -	\$ -	\$ -	\$ -
State Match Transfers Gen. Supplemental Grant	\$ (1,098,300)	\$ (2,246,805)	\$ (2,433,805)	\$ (2,433,805)	
DWQ Administrative Expenses	\$ (1,925,400)	\$ (1,925,400)	\$ (1,925,400)	\$ (1,925,400)	\$ (1,925,400)

*WQB Agenda Items

LOAN FUNDS FINANCIAL STATUS REPORT AUGUST 2023

Project Obligations					
South Salt Lake City (B)	\$ (4,891,000)	\$ -	\$ -	\$ -	\$ -
South Salt Lake City (C)	\$ (982,000)	\$ -	\$ -	\$ -	\$ -
Loan Authorizations					
Spanish Fork	\$ (4,500,000)				
Hanksville	\$ (350,000)				
Long Valley	\$ (220,000)				
Grantsville	\$ (1,000,000)				
Kane County	\$ (310,000)				
Planned Projects					
Total Obligations	\$ (17,004,900)	\$ (4,172,205)	\$ (4,359,205)	\$ (4,359,205)	\$ (1,925,400)
UWLF Remaining Loan Balance	\$ 17,675,481	\$ 19,899,010	\$ 21,782,658	\$ 23,281,295	\$ 27,242,180
TOTAL LOAN FUND BALANCE	\$ (56,716,319)	\$ (21,741,731)	\$ 13,978,389	\$ 48,408,796	\$ 74,431,530
PROJECT RESERVE	\$ (5,000,000)	\$ (10,000,000)	\$ (15,000,000)	\$ (20,000,000)	\$ (25,000,000)
TOTAL AVAILABLE LOAN FUNDS	\$ (61,716,319)	\$ (31,741,731)	\$ (1,021,611)	\$ 28,408,796	\$ 49,431,530

HARDSHIP GRANT FUNDS FINANCIAL STATUS REPORT AUGUST 2023

HARDSHIP GRANT FUNDS (HGF)	State Fiscal Year 2024	State Fiscal Year 2025	State Fiscal Year 2026	State Fiscal Year 2027	State Fiscal Year 2028
Funds Available					
Beginning Balance	\$ -	\$ 3,383,415	\$ 3,652,754	\$ 3,837,066	\$ 3,932,486
Federal HGF Beginning Balance (5250)	\$ 3,087,384	\$ -	\$ -	\$ -	\$ -
State HGF Beginning Balance (5265)	\$ 17,254,692	\$ -	\$ -	\$ -	\$ -
Interest Earnings at 5.1762%	\$ 965,201	\$ 16,243	\$ 17,536	\$ 18,421	\$ 18,879
UWLF Interest Earnings at 5.1762%	\$ 1,439,671	\$ 84,856	\$ 95,531	\$ 104,574	\$ 111,769
Hardship Grant Assessments (5255)	\$ 492,531	\$ 892,769	\$ 817,302	\$ 739,827	\$ 684,802
Interest Payments - (5260)	\$ 184,055	\$ 275,471	\$ 253,943	\$ 232,597	\$ 216,154
Advance Repayments	\$ -	\$ -	\$ -	\$ -	\$ -
Total Funds Available	\$ 23,423,534	\$ 4,652,754	\$ 4,837,066	\$ 4,932,486	\$ 4,964,090
Financial Assistance Project Obligations					
Big Water-Planning Grant	\$ (52,500)	\$ -	\$ -	\$ -	\$ -
Delta - Design Grant	\$ (200,000)	\$ -	\$ -	\$ -	\$ -
Delta - Short Term Loan	\$ (200,000)	\$ -	\$ -	\$ -	\$ -
Dutch John - Planning	\$ (95,000)	\$ -	\$ -	\$ -	\$ -
Dutch John - HGF Loan	\$ (60,000)	\$ -	\$ -	\$ -	\$ -
Eagle Mountain City - Construction Grant	\$ (510,000)	\$ -	\$ -	\$ -	\$ -
Elwood - Planning	\$ (18,200)	\$ -	\$ -	\$ -	\$ -
Hanksville - Design	\$ (47,400)	\$ -	\$ -	\$ -	\$ -
Hinckley Hardship Planning Grant	\$ (15,000)	\$ -	\$ -	\$ -	\$ -
Kanab City Planning Advance	\$ (29,800)	\$ -	\$ -	\$ -	\$ -
Lewiston City - Design and Construction	\$ (460,000)	\$ -	\$ -	\$ -	\$ -
Lewiston City - De-Obligation	\$ 460,000	\$ -	\$ -	\$ -	\$ -
Long Valley - Design	\$ (103,700)	\$ -	\$ -	\$ -	\$ -
Millville City - Construction Grant	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -
Spanish Fork - Hardship Grant	\$ (500,000)	\$ -	\$ -	\$ -	\$ -
Stockton - Planning	\$ (20,000)	\$ -	\$ -	\$ -	\$ -
Non-Point Source/Hardship Grant Obligations					
OSG Cost Share Balances (FY20-21)	\$ (56,000)	\$ -	\$ -	\$ -	\$ -
McKees ARDL interest-rate buy down	\$ (55,261)	\$ -	\$ -	\$ -	\$ -
Munk Dairy ARDL interest-rate buy down	\$ (16,017)	\$ -	\$ -	\$ -	\$ -
(FY12) Utah Department of Agriculture	\$ (122,748)	\$ -	\$ -	\$ -	\$ -
(FY15) DEQ - Ammonia Criteria Study	\$ (27,242)	\$ -	\$ -	\$ -	\$ -
(FY17) DEQ - Utah Lake Water Quality Study	\$ (348,301)	\$ -	\$ -	\$ -	\$ -
(FY19) USU - Nutrient Concentrations Paleolimnology of Utah Lake	\$ (14,504)	\$ -	\$ -	\$ -	\$ -
(FY23) DEQ Davis County Health Department	\$ (105,313)	\$ -	\$ -	\$ -	\$ -
FY 2018 - Remaining Payments	\$ (7,100)	\$ -	\$ -	\$ -	\$ -
FY 2019 - Remaining Payments	\$ (48,688)	\$ -	\$ -	\$ -	\$ -
FY 2020 - Remaining Payments	\$ (156,423)	\$ -	\$ -	\$ -	\$ -
FY 2021 - Remaining Payments	\$ (118,878)	\$ -	\$ -	\$ -	\$ -

HARDSHIP GRANT FUNDS FINANCIAL STATUS REPORT AUGUST 2023

FY 2022 - Remaining Payments	\$ (567,833)	\$ -	\$ -	\$ -	\$ -
FY 2023 - Remaining Payments	\$ (665,366)	\$ -	\$ -	\$ -	\$ -
FY 2024 - Remaining Payments	\$ (996,674)	\$ -	\$ -	\$ -	\$ -
Future NPS Annual Allocations		\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
Authorizations					
Grantsville - Design Advance	\$ (300,000)				
Spring City - Design Advance	\$ (289,000)				
Kane County - Hardship Grant	\$ (200,000)				
Rockville Town - Hardship Grant	\$ (27,172)				
Planned Projects					
St. George Graveyard Wash Reuse Storage Reservoir	\$ (13,066,000)				
Total Obligations	\$ (20,040,120)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
HGF Unobligated Funds	\$ 3,383,415	\$ 3,652,754	\$ 3,837,066	\$ 3,932,486	\$ 3,964,090

PROJECT PRIORITY LIST FINANCIAL STATUS REPORT AUGUST 2023

State of Utah
Wastewater Project Assistance Program
Project Priority List

As of August 14, 2023

Rank	Project Name	Funding Authorized	Total Points	Point Categories			
				Project Need	Potential Improvement	Population Affected	Special Consideration
1	South Davis Sewer District	N	128	50	8	10	60
2	Spanish Fork Water Reclamation Facility	X	117	50	19	8	40
3	North Logan	X	86	25	14	7	40
4	Mt Pleasant		79	10	5	4	60
5	Hanksville	X	76	50	5	1	20
6	Monticello		61	0	19	2	40
7	Lewiston City	N	60	25	14	1	20
8	Wolf Creek		57	10	5	2	40
9	Dutch John (Dagget County)	X	28	10	17	1	0
10	Brian Head		11	5	5	1	0
11	Long Valley SID	X	11	10	0	1	0

X - funding authorized; N - Previous Funding Authorized but Request is for a New Project.



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WATER QUALITY BOARD
FEASIBILITY REPORT FOR SEWER IMPROVEMENT PROJECT

INTRODUCTION

APPLICANT:

Monticello City
17 North 100 East
Monticello, Utah 84535
Phone: (435) 587-2271

PRESIDING OFFICIAL:

Mayor Bayley Hedglin
Email: bayley@monticelloutah.org
and
Kaeden Kulow, City Manager
Phone: (435) 587-2271 extension 13
Email: kaeden@monticelloutah.org

CONTACT:

Nathan Langston, Public Works Director
17 North 100 East
Monticello, Utah 84535
Phone: (435) 587-2271
Email: nathan@monticelloutah.org

TREASURER/RECORDER:

Melissa Gill, City Recorder
Phone: (435) 587-2271 extension 12
Email: melissa@monticelloutah.org

CONSULTING ENGINEER:

Scot Flannery, Project Manager
Jones and DeMille Engineering, Inc.
696 North Main Street
Monticello, Utah 84535
Phone: (435) 587-9100

BOND COUNSEL:

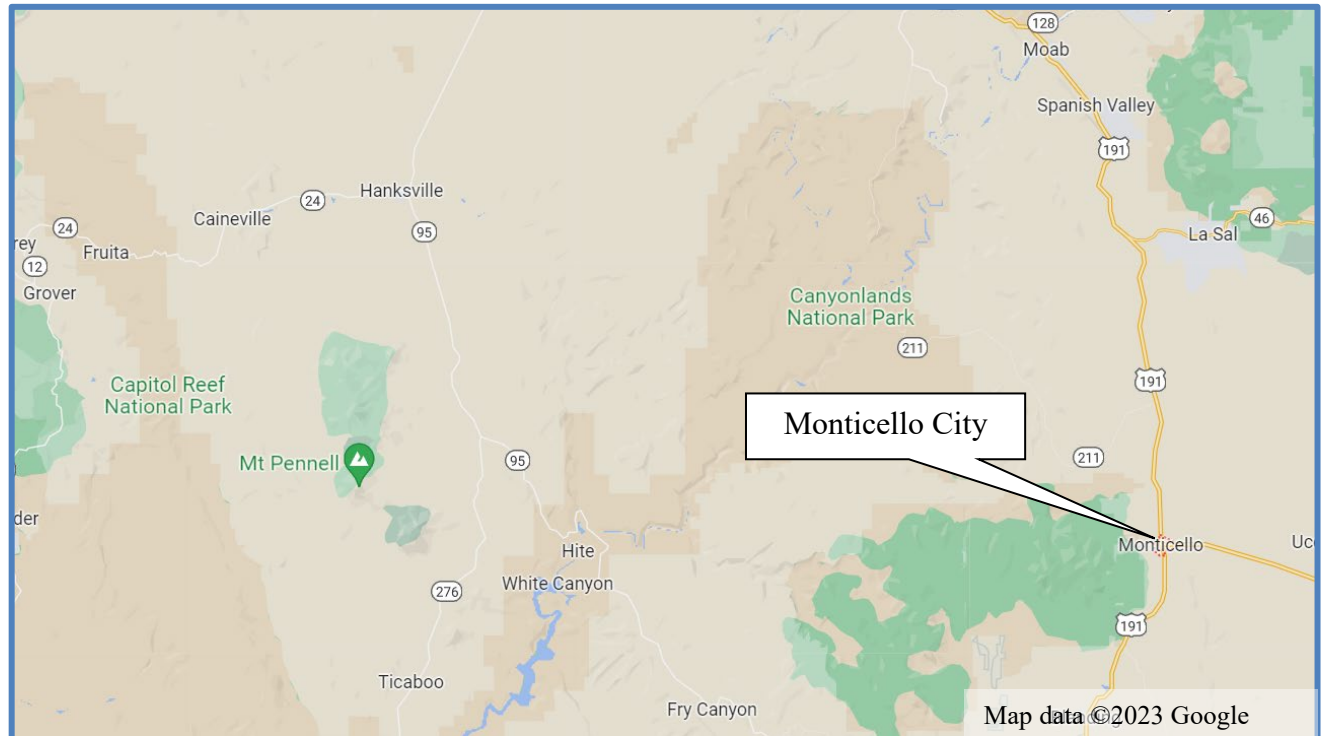
TBD

APPLICANT'S REQUEST

Monticello City is requesting funding from the Water Quality Board in the amount of **\$1,213,093** to upgrade the sewer system by replacing several sections of the system that have reached the end of its service life.

APPLICANT'S LOCATION

Monticello City is located in San Juan County, approximately 287 miles southeast of Salt Lake City.



BACKGROUND

The City of Monticello has a sewer system with nearly 28 miles of sewer pipeline which provides around 798 locations or 876 accounts with sewer services. The majority of the system is clay pipe that was installed in the 1940's. They also have a wastewater lagoon treatment system that was built in the early 1980s.

PROJECT NEED

The City's sewer lines have aged and begun to cause major issues with the sewer system. The City's sewer operator has documented sewer related events and issues since become employed by the City in 2008. These reports' identify five sections of sewer mainline that have been failing due to the extremes in the climate and age of the pipes. One of these sections covers the main connections to the San Juan Hospital, while other sections have been found to have a short distance of failing Orangeburg pipe. This last winter the city had a sewer backup that resulted in the need to borrow equipment from outside

of the City since the block in the line was caused by a tree root and pipe deterioration that couldn't be broken apart by the City's equipment.

City Councilmembers and staff have listed this project as a priority for the past six years due to the negative impacts these sections have had on the community. While working with Jones and DeMille Engineering the City has completed its sewer master plan which identifies two phases of upgrades to the sewer pipeline. The City is asking for assistance from the Utah State Water Quality Board to help fund phase 1 of this project.

PROJECT DESCRIPTION

The proposed project would include replacement of sections of the collection system, which have reached the end of their useful life.

ALTERNATIVES EVALUATED

As this is a replacement project no other alternatives were considered.

POSITION ON PROJECT PRIORITY LIST

The Monticello City project is currently ranked No. 06 of 11 on the FY 2023 Project Priority List (PPL)

IMPLEMENTATION SCHEDULE

Phase 1 design and construction will begin in 2023 and is anticipated to be completed in 2024.

APPLICANTS CURRENT USER CHARGE

Monticello City charges a base rate of \$18.60 per month per ERU with a progressive flow-based charge per thousand gallons (\$1.63/ thousand gallons for the first 5,000 gallons and \$1.75/thousand gallons between 5,000-10,000 gallons). According to the Water Quality Board's criteria of 1.4% of MAGI (\$40,400 for Monticello), a rate of \$47.13 per month for wastewater service should be exceeded for grant consideration.

COST ESTIMATE

Project Costs	
Admin/Legal/Bonding	\$ 23,000
Pre-Construction Engineering	\$ 60,500
Construction Engineering Services	\$ 70,000
Construction	\$ 1,127,000
Contingency	\$ 225,625
Total Project Cost:	\$ 1,506,125

COST SHARING

Funding Source	Total	% of Project
Local Contribution	\$ 60,000	4%
Local ARPA Funds	\$ 233,032	15.5%
WQB Request	\$ 1,213,093	80.5%
Total Amount	\$ 1,506,125	100.0%

EFFORTS TO SECURE FINANCING FROM OTHER SOURCES

The City has set aside its ARPA funding as a partial match for this project the City currently has \$233,032 set aside for this project. They also had applied to the Governor’s Office of Planning and Budget Local Assistance Matching Grant Program, but were unsuccessful.

ESTIMATED ANNUAL COST FOR SEWER SERVICE

Staff developed static cost models (Attachment 1) to evaluate funding by the Board. The cost model analyzes several possible funding options. The resulting Total Annual Sewer Cost is shown for each funding option. Due to the rural nature and this being the first phase of the project staff anticipates that the future recommendation will be a low interest loan.

FINANCIAL BURDEN EVALUATION

The cost for sewer service shows the City does not qualify for grant consideration as part of a funding package under the State Affordability Criteria. In accordance with the Board’s Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, staff utilized data from the United State Census Bureau (census) website (<https://data.census.gov/cedsci/>) to calculate the City’s Financial Need Indicator (FNI). The calculated FNI is 1.60. Staff compared this FNI to the percent modified MAGI in the Financial Burden Matrix and displayed the Financial Burden in Attachment 1. Based on the Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, the community has a Financial Burden of Low.

As can be seen in the attachment none of the options exceed 1.4% of MAGI. Therefore, the project is affordable as a loan.

STAFF COMMENTS AND RECOMMENDATIONS

The Monticello City Sewer Improvements project will address needed replacement to the sewer system.

This project is being introduced. Staff recommendations will be made in a later Board meeting. A preliminary cost model is included as Attachment 1

Monticello City											
20 Year Static Cost Model											
(Attachment 1)											
Project Costs			Sewer						Current Customer Base & User Charges		ERC
Admin/Legal/Bonding		\$	23,000								
Pre-Construction Engineering		\$	60,500								
Construction Engineering Services		\$	70,000								
Construction		\$	1,127,000								
Contingency		\$	225,625								
Total Project Cost:		\$	1,506,125								
Project Funding											
Local Contribution		\$	60,000								
ARPA Funds		\$	233,032								
WQB Funding Requested		\$	1,213,093								
Total Project Cost:		\$	1,506,125								
										Current Sewer Bill	\$ 18.60
										EXISTING DEBT	\$ 17,000
										O&M Expenses	\$ 183,784
										MAGI (Monticello City 2020):	\$ 40,400
										1.4% MAGI Sewer Bill:	\$ 47.13
										Funding Conditions	
										Loan Repayment Term:	20
ESTIMATED COST OF SEWER SERVICE											
Grant Amount	Loan Amount	Interest Rate	CIB Loan Debt Service	Annual Sewer O&M Cost	Existing Debt Service	Total Annual Sewer Cost	Monthly Sewer Cost/ERU	Sewer Cost as a % of MAGI	Financial Burden		
\$ -	\$ 1,213,093	0.00%	\$60,655	\$ 183,784	\$ 17,000	\$ 261,439	32.42	0.96%	Low		
\$ -	\$ 1,213,093	0.25%	\$62,259	\$ 183,784	\$ 17,000	\$ 263,044	32.62	0.97%	Low		
\$ -	\$ 1,213,093	0.50%	\$63,889	\$ 183,784	\$ 17,000	\$ 264,674	32.82	0.97%	Low		
\$ -	\$ 1,213,093	1.00%	\$67,224	\$ 183,784	\$ 17,000	\$ 268,008	33.24	0.99%	Low		
\$ -	\$ 1,213,093	1.50%	\$70,657	\$ 183,784	\$ 17,000	\$ 271,442	33.66	1.00%	Low		
\$ -	\$ 1,213,093	1.75%	\$72,411	\$ 183,784	\$ 17,000	\$ 273,195	33.88	1.01%	Low		
\$ -	\$ 1,213,093	2.00%	\$74,189	\$ 183,784	\$ 17,000	\$ 274,973	34.10	1.01%	Low		
\$ -	\$ 1,213,093	2.50%	\$77,816	\$ 183,784	\$ 17,000	\$ 278,601	34.55	1.03%	Low		
\$ -	\$ 1,213,093	3.00%	\$81,539	\$ 183,784	\$ 17,000	\$ 282,323	35.01	1.04%	Low		
\$ -	\$ 1,213,093	3.50%	\$85,355	\$ 183,784	\$ 17,000	\$ 286,139	35.48	1.05%	Low		
\$ -	\$ 1,213,093	4.00%	\$89,262	\$ 183,784	\$ 17,000	\$ 290,046	35.97	1.07%	Low		
\$ -	\$ 1,213,093	4.10%	\$90,054	\$ 183,784	\$ 17,000	\$ 290,838	36.07	1.07%	Low		

Monticello City					
20 Year Static Cost Model					
(Attachment 1- Continued)					
Green River City Financial Need Indicator					
Indicators	Local Value	State Value	Score	Weighting Factor	Weighted Score
unemployment rate	3.50%	3.50%	2.00	4.00	8.00
Poverty Rate	4.20%	8.80%	1.00	2.50	2.50
Threshold LQI	\$52,115	\$37,685	1.00	2.50	2.50
Population Growth Rate	-13.4%	19.0%	3.00	1.00	3.00
Financial Need Indicator (Sum of weighted Scores/10)					1.60
2021 Population	2237	3,231,370			
2011 Population	2584	2,715,379			
Table 3 Financial Burden Matrix					
Modified MAGI					
FNI	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	Low	Medium	Medium	High
1.5 to 2.5	Low	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High



State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of
Environmental Quality

Kimberly D. Shelley
Executive Director

DIVISION OF WATER QUALITY
John K. Mackey, P.E.
Director

Water Quality Board
James Webb, Chair
Michelle Kaufusi, Vice Chair
Carly Castle
Robert Fehr
Michela Harris
Joseph Havasi
Trevor Heaton
Jill Jones
Kimberly D. Shelley
John K. Mackey

WATER QUALITY BOARD
FEASIBILITY REPORT FOR WASTEWATER TREATMENT PROJECT

INTRODUCTION

APPLICANT: Wolf Creek Water and Sewer Improvement District
2580 N Hwy 162 Suite A
Eden, Utah 84310
Telephone: 801-745-3435

PRESIDING OFFICIAL E. Miranda Menzies, Chair Board of Trustees
Telephone: 801-745-3435

CONTACT: Pam Young
Telephone: 801-745-3435

TREASURER: Pam Young

CONSULTING ENGINEER: Tom Wright, PE
AECOM
Phone: 801-673-7352

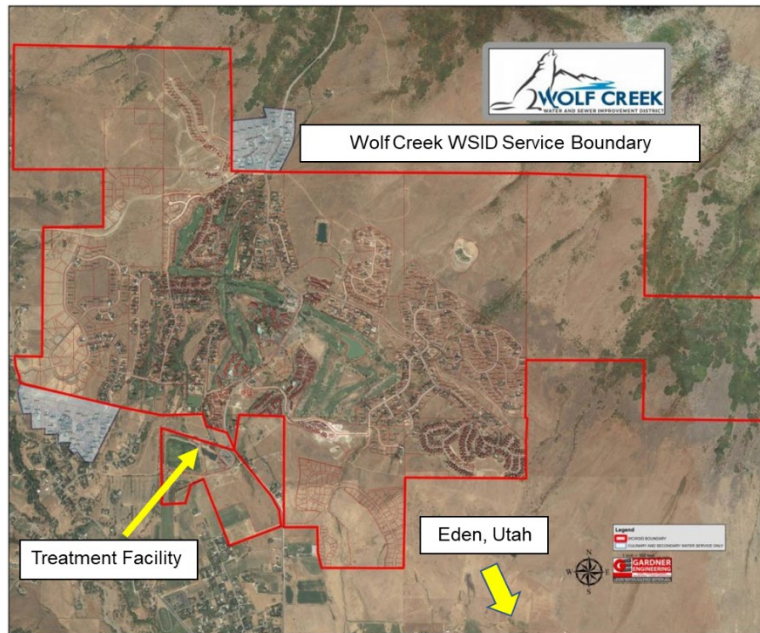
FINANCIAL ADVISOR Fred Philpott
Firm: Lewis, Young, Robertson, and Birmingham

APPLICANT'S REQUEST

Wolf Creek Water and Sewer Improvement District (Wolf Creek) is requesting funding from the Water Quality Board in the amount **\$6,588,002** for the construction of a reuse storage pond and distribution pipeline and pump station. Wolf Creek plans to land apply their treated effluent at the golf course in town.

APPLICANT'S LOCATION

Wolf Creek service boundary is located in Weber County, just north of Eden, Utah.



PROJECT BACKGROUND

Wolf Creek installed an MBR process back in 2008 which replaced the old lagoons which were constructed in the 1980s. The current MBR system is designed for 450,000 gallons per day. Wolf Creek sits in a Category 1 watershed and currently does not discharge to surface waters. Wolf Creek's disposal methods are evaporation from their storage ponds, Type I reuse to the golf course, and two RIBs for which Wolf Creek has an operating permit.

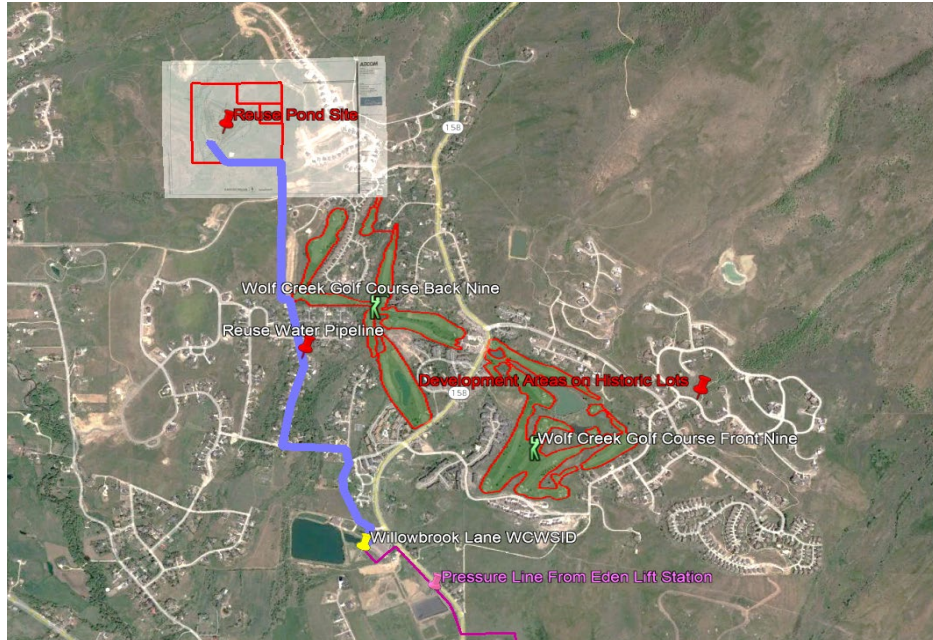
PROJECT NEED

Wolf Creek is experiencing pressure from rapid growth in the area. This growth pressure has spread the disposal capacity and water supply very thin and Wolf Creek lacks the amount of culinary water necessary to supply the projected growth. Wolf Creek has the capability to produce Type I treated effluent for reuse, and Wolf Creek would like to expand the use of Type I reuse water on their golf course. Wolf Creek already supplies Type I reuse water to the front nine holes of the golf course. Wolf Creek currently does not have the proper storage and piping infrastructure in place to send more reuse water to the golf course. Nutrients contained in the treated effluent (approximately 10 mg/L of NO₃ as N) will be utilized by golf course turf and landscaping. These nutrients would otherwise be entering groundwater through the Rapid Infiltration Basin. The area is a Category 1 watershed which has a prohibition on surface water discharges.

PROJECT DESCRIPTION

Wolf Creek is constructing a new 45 acre-ft reuse storage pond for storage of treated effluent from their MBR plant, as well as construct a new pump station and pipeline to the golf course. At buildout in 2032, Wolf Creek plans to expand their sewer plant and extend their sewer service area into

unsewered areas of Eden and Wolf Creek. This will take more homes off of septic systems in a Category 1 watershed. Wolf Creek also plans to double the capacity of the storage pond in the future to 90 acre-ft. The map below shows the proposed Reuse Water Pipeline from the treatment plant to the proposed 45 acre-ft Reuse Pond Site.



ALTERNATIVES EVALUATED

Wolf Creek evaluated the alternative to construct a second reuse holding pond. It was evaluated and it is Wolf Creek’s hope to pursue a Water Smart Grant from the Bureau of Reclamation. Thus, Wolf Creek is pursuing the construction of the first reuse holding pond now and to pursue the second pond funding in the future.

POSITION ON PROJECT PRIORITY LIST

The WSID project is currently ranked No. 08 of 11 on the FY 2023 Project Priority List (PPL)

POPULATION GROWTH

The population has grown from 1200 in 2010 to 1364 today. That is a growth rate of 13.7%. Based on the 2021 Wolf Creek Sanitary Sewer Impact Fee Facilities Plan, the amount of ERUs currently served in Wolf Creek’s service area was 1114. Upon completion of the wastewater treatment plant expansion in 2032, there will be a projected 2500 ERUs in Wolf Creek’s service area.

Year	ERUs
2021	1,114
2032	2,500
2040	4,000

(Source: Wolf Creek WSIS Sanitary Sewer Impact Fee Facilities Plan – Gardner Engineering – 2022)

PUBLIC PARTICIPATION AND DEMONSTRATION OF PUBLIC SUPPORT:

The Secondary Water Impact Fee Facility Plan and the Sanitary Sewer Impact Fee Facility Plan was adopted by Board Resolution at a public hearing on April 14, 2022. Public involvement over the planning and funding development period (Sept 2021 to present), has involved discussion at over 15 open public board meetings, some of them attended by 30+ members of the public. Petitions requested funding support were signed by over 70 community members (check number), and number of community organizations.

IMPLEMENTATION SCHEDULE

Project Initiation upon receipt of ARPA funding commitment from Weber County	October 2022
Bidding of Design Engineering and permitting	December 2022
Contract award March 2023	March 2023
Water right application filed February 2023. Water Right pending.	February 2023
Water Reuse Authorization Contract signed with Weber Basin Conservancy April 2023.	April 2023
Construction bidding	Fall 2023
Bonding for balance beyond cash in hand and grants	Spring 2024
Delivery pipeline and concurrent Reuse Pond Construction	Spring 2024 to Fall 2024
Disbursement Request	Spring 2024
Project Commissioning Spring 2025.	Spring 2025
Punchlist items and Invoicing deadline	Summer 2025

APPLICANT’S CURRENT USER CHARGE

Currently, Wolf Creek charges approximately \$55 per month per ERC. According to the Utah Water Quality Board’s affordability criteria of 1.4% of MAGI (\$77,600 for nearby Eden), the highest affordable monthly rate for wastewater services would be \$90.53 per month. The impact fee is \$4573 and the hookup fee is \$915.,

COST ESTIMATE

The total cost of the project is estimated to be \$10,441,937. A breakdown of these costs follows.

Legal/Bonding	\$	30,000
DWQ Loan Origination Fee	\$	65,000
Pre-Construction Engineering & CMS	\$	1,276,788
Construction - Reuse Pond	\$	4,920,918
Contingency (30%) - Reuse Pond	\$	1,471,559
Construction - Reuse Water Pump Station	\$	1,202,733
Construction - Reuse Water delivery pipeline	\$	1,473,502
Contingency (15%) Reuse Water Pump Station and Pipeline	\$	401,437
Total Project Cost:	\$	10,441,937

COST SHARING

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
Local Contribution	\$503,935	4.83%
Weber County ARPA Grant	\$1,850,000	17.72%
GOEO Grant	\$1,500,000	14.37%
WQB Funding	\$6,588,002	63.09%
Total Amount:	\$10,441,937	100.00%

ESTIMATED ANNUAL COST FOR SEWER SERVICE

Different funding options result in different annual sewer costs. A cost model is shown in Attachment 1, which analyzes many possible funding options. Also included is a second cost model with the inclusion of impact fees subtracted from the annual debt service. The resulting Total Annual Sewer Cost is shown for each funding option. This analysis shows Wolf Creek appears to be doing an excellent job at collecting appropriate impacts as with the collection of impact fees the growth will have a minimal impact on monthly fees.

Wolf Creek is a small community and bonding on the private market would likely be challenging. However, WSID’s application indicates the possibility of a loan from Washington Federal Bank for \$5,000,000 at 3.7% interest for a term of 20 years. In addition, credit enhancement agreements and interest buydown agreements are either unavailable or unreasonably expensive.

FINANCIAL BURDEN EVALUATION

Based on the inclusion of impact fees the cost for sewer service shows the Wolf Creek does not qualify for grant consideration as part of a funding package under the State Affordability Criteria. In accordance with the Board’s Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, staff utilized data from the United State Census Bureau (census) website (<https://data.census.gov/cedsci/>) to calculate the City’s Financial Need Indicator (FNI). The calculated FNI is 1.0. Staff compared this FNI to the percent modified MAGI in the Financial Burden Matrix and displayed the Financial Burden in Attachment 1. Based on the Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, the community has a Financial Burden of Low.

A cost model is included as Attachment 2 with Impact Fees subtracted from total annual sewer cost. As can be seen in the model none of the options exceed 1.4% of MAGI. Therefore, the project does not exceed the threshold for grant consideration.

STAFF COMMENTS

Staff believes that this is an important project. Type I reuse is an essential mechanism for disposal of Wolf Creek’s treated effluent. Funding this reuse storage, pump station, and pipeline will allow Wolf Creek to have more disposal capacity with minimal impact in the Category 1 watershed. It will also help increase the storage and disposal capacity of the treatment plant, which will be hooking up more homes to sewer in the future.

No staff recommendations for funding are included in this report, as this is an introduction of the project.

ATTACHMENT 1: STATIC COST MODEL FOR WOLF CREEK WSID

**Attachment 1
 Wolf Creek - Water Quality Board
 20 Year Loan Static Cost Model**

Project Costs

Legal/Bonding	\$ 30,000
DWQ Loan Origination Fee	\$ 65,000
Pre-Construction Engineering & CMS	\$ 1,276,788
Construction - Reuse Pond	\$ 4,920,918
Contingency (30%) - Reuse Pond	\$ 1,471,559
Construction - Reuse Water Pump Station	\$ 1,202,733
Construction - Reuse Water delivery pipeline	\$ 1,473,502
Contingency (15%) Reuse Water Pump Station and Pipeline	\$ 401,437
Total Project Cost:	\$ 10,441,937

Project Funding

Local Contribution	\$ 503,935
ARPA Weber County	\$ 1,850,000
GOEO (Local Matching and Innovation Water)	\$ 1,500,000
WQB Funding	\$ 6,588,002
Total Project Funding:	\$ 10,441,937

Current Customer Base & User Charges

Initial Total Customer (ERU's)	1,157
MAGI for Eden (2020):	\$77,600
Affordable Monthly Rate at 1.4%	\$90.53
Impact Fee (per ERU):	\$4,573
Current Monthly Fee (per ERU)	\$55.00
Existing Sewer Debt Service	\$638,894
O&M Expenses	\$266,000

Funding Conditions

Loan Repayment Term:	20
Reserve Funding Period:	6

ESTIMATED COST OF SEWER SERVICE- 20 Year

WQB Loan	WQB Loan Interest Rate	WQB Debt Service	WQB Loan Reserve	Market Loan Interest Rate	Market Loan Amount	Market Loan Debt Service	Annual Sewer O&M Cost	Existing Debt Service	Total Annual Sewer Cost	Monthly Sewer Cost/ ERU	Financial Burden Indicator	Sewer Cost as % of MAGI
6,468,122	0.00%	80,852	323,406	3.70%	0	0	266,000	638,894	1,309,152	94.29	LOW	1.46%
6,468,122	2.00%	98,892	395,569	3.70%	119,880	8,588	266,000	638,894	1,407,944	101.41	LOW	1.57%
3,234,061	2.00%	49,446	197,785	3.70%	3,353,941	240,278	266,000	638,894	1,392,403	100.29	LOW	1.55%
6,468,122	3.50%	113,776	455,104	3.70%	119,880	8,588	266,000	638,894	1,482,363	106.77	LOW	1.65%
3,234,061	3.50%	56,888	227,552	3.70%	3,353,941	240,278	266,000	638,894	1,429,612	102.97	LOW	1.59%
2,000,000	3.50%	35,181	140,722	3.70%	4,588,002	328,686	266,000	638,894	1,409,483	101.52	LOW	1.57%
0	3.50%	0	0	3.70%	6,588,002	471,967	266,000	638,894	1,376,861	99.17	LOW	1.53%

Wolf Creek Financial Need Indicator

Indicators	Local Value	State Value	Score	Weighting Factor	Weighted Score
Unemployment rate	0.0%	3.5%	1.0	4.0	4.0
Poverty Rate	0.8%	8.8%	1.0	2.5	2.5
Threshold LQI	\$ 76,082	\$ 37,685	1.0	2.5	2.5
Population Growth Rate	123%	19%	1.0	1.0	1.0
Financial Need Indicator (Sum of weighted Scores/10)					1.0

Table 3 Financial Burden Matrix

FNI	Modified MAGI				
	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	Low	Medium	Medium	High
1.5 to 2.5	Low	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High

ATTACHMENT 2: STATIC COST MODEL WITH IMPACT FEES SUBTRACTED

Attachment 2
Wolf Creek - Water Quality Board
20 Year Loan Static Cost Model with Projected Impact Fees

Project Costs

Legal/Bonding	\$ 30,000
DWQ Loan Origination Fee	\$ 65,000
Pre-Construction Engineering & CMS	\$ 1,276,788
Construction - Reuse Pond	\$ 4,920,918
Contingency (30%) - Reuse Pond	\$ 1,471,559
Construction - Reuse Water Pump Station	\$ 1,202,733
Construction - Reuse Water delivery pipeline	\$ 1,473,502
Contingency (15%) Reuse Water Pump Station and Pipeline	\$ 401,437
Total Project Cost:	\$ 10,441,937

Project Funding

Local Contribution	\$ 503,935
ARPA Weber County	\$ 1,850,000
GOEO (Local Matching and Innovation Water)	\$ 1,500,000
WQB Funding	\$ 6,588,002
Total Project Funding:	\$ 10,441,937

Current Customer Base & User Charges

Initial Total Customer (ERU's)	1,157
MAGI for Eden (2020):	\$77,600
Affordable Monthly Rate at 1.4%	\$90.53
Impact Fee (per ERU):	\$4,573
Current Monthly Fee (per ERU)	\$55.00
Existing Sewer Debt Service	\$638,894
O&M Expenses	\$266,000

New Homes per year	126
Impact Fees Collected	\$576,198

Funding Conditions

Loan Repayment Term:	20
Reserve Funding Period:	6

ESTIMATED COST OF SEWER SERVICE- 20 Year

WQB Loan	WQB Loan Interest Rate	WQB Debt Service	WQB Loan Reserve	Market Loan Interest Rate	Market Loan Amount	Market Loan Debt Service	Annual Sewer O&M Cost	Existing Debt Service	Total Annual Sewer Cost	Monthly Sewer Cost/ ERU	Financial Burden Indicator	Sewer Cost as % of MAGI
6,468,122	0.00%	80,852	323,406	3.70%	0	0	266,000	638,894	732,954	52.79	LOW	0.82%
6,468,122	2.00%	98,892	395,569	3.70%	119,880	8,588	266,000	638,894	831,746	59.91	LOW	0.93%
3,234,061	2.00%	49,446	197,785	3.70%	3,353,941	240,278	266,000	638,894	816,205	58.79	LOW	0.91%
6,468,122	3.50%	113,776	455,104	3.70%	119,880	8,588	266,000	638,894	906,165	65.27	LOW	1.01%
3,234,061	3.50%	56,888	227,552	3.70%	3,353,941	240,278	266,000	638,894	853,414	61.47	LOW	0.95%
2,000,000	3.50%	35,181	140,722	3.70%	4,588,002	328,686	266,000	638,894	833,285	60.02	LOW	0.93%
0	3.50%	0	0	3.70%	6,588,002	471,967	266,000	638,894	800,663	57.67	LOW	0.89%

Wolf Creek Financial Need Indicator

Indicators	Local Value	State Value	Score	Weighting Factor	Weighted Score
Unemployment rate	0.0%	3.5%	1.0	4.0	4.0
Poverty Rate	0.8%	8.8%	1.0	2.5	2.5
Threshold LQI	\$ 76,082	\$ 37,685	1.0	2.5	2.5
Population Growth Rate	123%	19%	1.0	1.0	1.0
Financial Need Indicator (Sum of weighted Scores/10)					1.0

Table 3 Financial Burden Matrix

FNI	Modified MAGI				
	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	Low	Medium	Medium	High
1.5 to 2.5	Low	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High



State of Utah

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Joseph Havasi
Trevor Heaton
Jill Jones
Kimberly D. Shelley
John K. Mackey

WATER QUALITY BOARD
FEASIBILITY REPORT FOR WASTEWATER TREATMENT PROJECT

INTRODUCTION

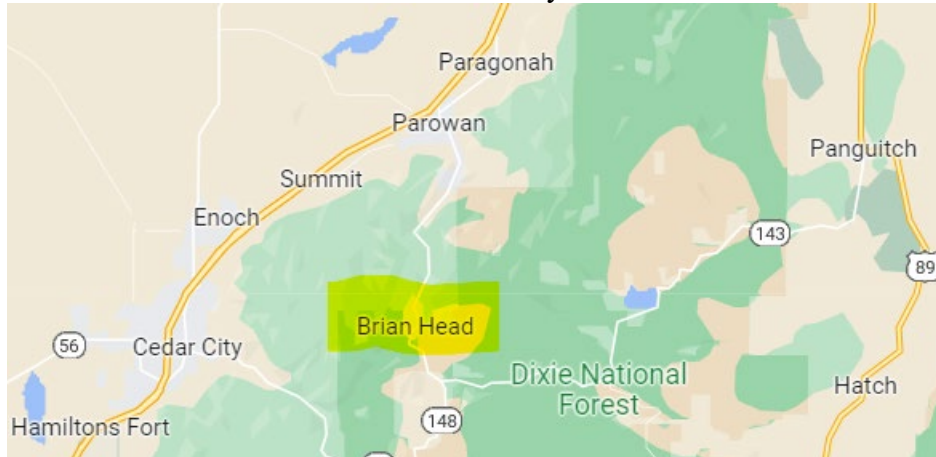
APPLICANT:	Brian Head Town 56 North Highway 143 PO Box 190068 Brian Head Town, 84719 Telephone: (435) 677-2029
PRESIDING OFFICIAL	Bret Howser, Town Manager
CONTACT:	Aldo Biasi, Public Works Director
TREASURER:	Shane Williamson
CONSULTING ENGINEER:	Todd Gardner, Project Engineer Alpha Engineering (435) 628-6500
BOND COUNSEL:	Eric Johnson Blaisdell, Church, and Johnson
FINANCIAL ADVISOR	Marcus Keller, Managing Director Crews & Associates, Inc.

APPLICANT'S REQUEST

The Brian Head Town is requesting funding from the Water Quality Board in the amount of **\$8,398,155** to install wastewater collection lines into newly annexed areas of the Town. The Town would split these projects into different timelines with a preference of installing wastewater lines at Ponderosa Drive and Snow Show Drive/Toboggan Circle during this funding cycle for **\$1,687,838**.

APPLICANT'S LOCATION

Brian Head Town is located in Iron County.



PROJECT BACKGROUND

Main water lines are being extended into areas of Brian Head for fire protection. With the extension of these lines Brian Head would like to install sanitary sewer lines. In addition, Southwest Utah Department of Health has recently implemented a policy of not issuing septic permits for properties with year-round access which intend to employ water hauling as a culinary water solution. With this policy the development of new homes will not be possible without the expansion of water lines.

In response Brian Head has a goal to develop water and sewer service throughout town. In pursuit of this goal Brian Head has developed numerous Special Assessment Areas (SAA) for water service in Town. On such SAA is the Ponderosa Drive and Snow Show Drive/Toboggan Circle area (Ponderosa Area).

PROJECT NEED

The Town has a large tourism industry and would like to develop these new areas with culinary and wastewater lines. The Town of Brian Head has received funding to install culinary water lines into newly annexed areas. The Town discharges their wastewater into the Town of Parowan's Wastewater Treatment Facility. Currently, the Ponderosa Area is fully funded to install water service throughout the area.

PROJECT DESCRIPTION

In discussions with Town staff the application was split into two separate potential funding requests options of the Full Project and Ponderosa Area.

Full Project

Brian Head would like to install wastewater lines into annexed areas of the town. These areas are mostly development with a few current houses that have installed septic systems along with water hauling.

With the new health department policy septic permits will not be issued to houses that employ water hauling. The Town would like to install wastewater lines to 12 different areas of the Town; 1. Ponderosa Drive Sewer; 2. Snow Shoe/Toboggan Circle, 3. Mountain View Drive A, 4. Mountain View Drive B, 5. Mountain View Drive C, 6. Mountain View Drive D, 7. Mountain View Drive E, 8. Mountain View Drive F, 9. Ridge Top Drive A, 10. Ridge Top Drive B, 11. Aspen Drive Sewer A, and 12. Aspen Drive Sewer B.

Ponderosa Area

Currently, the town is installing culinary water lines to Snow Shoe Drive/Toboggan Circle to reduce the cost of construction in the area the Town would like to install wastewater lines at the same time. If Snow Shoe Drive/Toboggan Circle install wastewater lines the Town would like to complete the run of wastewater lines by installing them on Ponderosa Drive.

ALTERNATIVES EVALUATED

The Town is working on a septic density study to determine if water can be installed in the SAAs without the need for wastewater collection to be installed.

POSITION ON PROJECT PRIORITY LIST

Brian Head is currently ranked No. **10** of 11 on the FY 2023 Wastewater Treatment Project Priority List (PPL).

POPULATION GROWTH

Based on the 2020 US Census data the 2020 population was 35. According to the State's projections the Town of Brian Head has a negative growth rate of -31% from 2010 to 2020. This results in a build out population of 20 people in 2050. These population figures from the Census are not very relevant as the area is dominated by tourism, a ski resort, and second homes.

PUBLIC PARTICIPATION AND DEMONSTRATION OF PUBLIC SUPPORT

Brian Head has held a number of public meeting on the water projects but not the proposed sewer projects.

EFFORTS TO SECURE FINANCING FROM OTHER SOURCES

The Town intends to apply to all funding options that it is able to. Brian Head is a small community and bonding on the private market would likely be infeasible. In addition, credit enhancement agreements and interest buydown agreements are either unavailable or unreasonably expensive.

IMPLEMENTATION SCHEDULE

Full Project

Construction will be initiated in 2024 – 2025 and finished in 2025 – 2026.

Ponderosa Area

The Town intends to bid the water project in February 2024 with construction summer of 2024.

APPLICANT’S CURRENT USER CHARGE

Currently, Brian Head Town charges approximately \$42 per ERU. According to the Utah Water Quality Board’s criteria of 1.4% MAGI (\$24,900 for Brian Head), a rate of \$29.05 per month for wastewater service should be exceeded for grant consideration. The impact fee is \$1,096.91 and the hookup fee is \$350.

COST ESTIMATE

Full Project

The total cost of the project is estimated to be \$8,398,155. A breakdown of these costs follows:

Legal/Bonding	\$30,000
Loan Origination Fee	\$60,000
Design	\$744,936
Collection System	\$5,817,861
Contingency (30%)	\$1,745,358
Total Project Costs	\$8,398,155

Ponderosa Area

The total cost of the Snow Shoe Drive/Toboggan Circle and Ponderosa Drive project is estimated to be \$1,687,838. A breakdown of these costs follows:

Legal/Bonding	\$30,000
Loan Origination Fee	\$20,000
Design	\$108,807
Collection System	\$1,176,178
Contingency (30%)	\$352,853
Total Project Costs	\$1,687,838

COST SHARING

Full Project

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
Local Contribution	\$381,589	4.5%
WQB Funding	\$8,016,566	95.5%

Ponderosa Area

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
Local Contribution	\$381,589	22.6%
WQB Funding	\$1,306,249	77.4%

ESTIMATED ANNUAL COST FOR SEWER SERVICE

Two cost models which analyzes possible funding options are included as Attachment 1 and Attachment 2 for the Full Project and Ponderosa Area, respectively. The resulting total annual sewer cost is shown for each funding option.

FINANCIAL BURDEN EVALUATION

In accordance with the Board's Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, staff utilized data from the United State Census Bureau (census) website (<https://data.census.gov/cedsci/>) to calculate the City's Financial Need Indicator (FNI). The calculated FNI is 2.12. Staff compared this FNI to the percent modified MAGI in the Financial Burden Matrix and displayed the Financial Burden in Attachment 1 and 2. Based on the Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, the community has a Financial Burden of High.

Staff ran the cost models and the Board financial burden evaluation for consistency between Feasibility Reports. The cost for sewer service shows the Town qualifies for grant consideration as part of a funding package under the State Affordability Criteria. Staff's evaluation is only the 35 permanent residents (according to the census) would qualify for grant consideration and as this project would not serve these residents. Thus, staff believes the project does not qualify for consideration.

STAFF COMMENTS

Staff is supportive of Brian Head's efforts to bring water and sewer service to the developable land in the Town. The project will address needed replacement to the sewer system and help to protect the local groundwater aquifer from the use of septic systems. This project is primarily for development and the Water Quality Board has not historically funded development projects with a mantra "Growth should pay for growth." However, this project would address historic subdivisions which would likely lead to impacts to the local groundwater aquifer.

Staff believes the costs of these projects should be directly charged to the land owners which will be supplied new water and sewer service and allow their properties to be "buildable". While this is the case for the water service, it is not the case for the sewer project costs. Staff is very concerned the cost of this project would largely be placed on the existing rate payers in the Brian Head Town.

Staff is more supportive of the Ponderosa Area Project since it just makes sense to put sewer service in with the water service project. Staff has suggested to the Town they should re-evaluate their approach to the additional SAAs to include addressing sewer service or find another sewer service charge remedy to charge the cost of this project to the local land owners receiving new sewer service.

No staff recommendations for funding are included in this report, as this is an introduction of the project.

**ATTACHMENT 1
Brian Head - Water Quality Board
30 Year Loan Static Cost Model**

Project Costs

Legal/Bonding	\$	30,000
Loan Origination Fee	\$	60,000
Engineering - Design & CMS	\$	744,936
Wastewater Collection System	\$	5,817,861
Contingency (30%)	\$	1,745,358
Total Project Cost:	\$	8,398,155

Current Customer Base & User Charges

Initial Total Customer (ERU's)	1,650
MAGI for Brian Head Town (2020):	\$24,900
Affordable Monthly Rate at 1.4%	\$29.05
Impact Fee (per ERU):	\$1,097
Current Monthly Fee (per ERU)	\$42.00
Debt Service	\$0
Annual O&M Cost of Collections	\$518,163
Cost of Treatment	\$177,402

Project Funding

Local Contribution	\$	381,589
Amount to be Funded	\$	8,016,566
WQB Grant	\$	-
Total Project Cost:	\$	8,398,155

Funding Conditions

Loan Repayment Term:	30
Reserve Funding Period:	6

ESTIMATED COST OF SEWER SERVICE

WQB PF	WQB Loan	WQB Loan Interest Rate	WQB Loan Debt Service	WQB Loan Reserve	Annual Sewer Cost	Existing Debt Service	Total Annual Sewer Cost	Monthly Sewer Cost/ ERU	Sewer Cost as % of MAGI	Financial Burden
0	8,016,566	0.00%	267,219	66,805	\$695,565	\$0	\$1,029,589	52.00	2.51%	HIGH
0	8,016,566	0.50%	288,427	72,107	\$695,565	\$0	\$1,056,099	53.34	2.57%	HIGH
0	8,016,566	1.00%	310,627	77,657	\$695,565	\$0	\$1,083,849	54.74	2.64%	HIGH
0	8,016,566	1.50%	333,803	83,451	\$695,565	\$0	\$1,112,819	56.20	2.71%	HIGH
0	8,016,566	2.00%	357,939	89,485	\$695,565	\$0	\$1,142,989	57.73	2.78%	HIGH
0	8,016,566	2.50%	383,013	95,753	\$695,565	\$0	\$1,174,331	59.31	2.86%	HIGH
0	8,016,566	3.00%	408,999	102,250	\$695,565	\$0	\$1,206,814	60.95	2.94%	HIGH
0	8,016,566	3.50%	435,871	108,968	\$695,565	\$0	\$1,240,404	62.65	3.02%	HIGH
0	8,016,566	4.00%	463,599	115,900	\$695,565	\$0	\$1,275,064	64.40	3.10%	HIGH

*Staff Estimate

FNI Calculation					
	Local Value	State Value	Score	Weighting Factor	Weighting Score
Unemployment Rate	0.0%	3.5%	1.00	4	4.00
Poverty Rate	17.1%	8.8%	2.66	2.5	6.65
Threshold LQI	\$ 11,250	\$ 37,685	3.00	2.5	7.50
Population Growth Rate	-31.0%	19.0%	3.00	1	3.00
Financial Need Indicator (Sum of weighted Scores/10)					2.12

Table **
S2301
S1701
B19080
B01003

** <https://data.census.gov/cedsci/>

Financial Burden Matrix					
FNI	Modified MAGI				
	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	Low	Medium	Medium	High
1.5 to 2.5	Low	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High

Attachment 1 – Brian Head - Full Project

**Brian Head - Water Quality Board
30 Year Loan Static Cost Model**

Project Costs

Legal/Bonding	\$	30,000
Loan Origination Fee	\$	20,000
Planning Advance		
Engineering - Design & CMS	\$	108,807
Wastewater Collection System	\$	1,176,178
Contingency (30%)	\$	352,853
Total Project Cost:	\$	1,687,838

Project Funding

Local Contribution	\$	381,589
Amount to be Funded	\$	1,306,249
WQB Grant	\$	-
Total Project Cost:	\$	1,687,838

Current Customer Base & User Charges

Initial Total Customer (ERU's)	1,400
MAGI for Brian Head Town (2020):	\$24,900
Affordable Monthly Rate at 1.4%	\$29.05
Impact Fee (per ERU):	\$1,097
Current Monthly Fee (per ERU)	\$42.00
Debt Service	\$0
Annual O&M Cost of Collections	\$518,163
Cost of Treatment	\$177,402

Funding Conditions

Loan Repayment Term:	30
Reserve Funding Period:	6

ESTIMATED COST OF SEWER SERVICE

WQB PF	WQB Loan	WQB Loan Interest Rate	WQB Loan Debt Service	WQB Loan Reserve	Annual Sewer Cost	Existing Debt Service	Total Annual	Monthly Sewer Cost/	Sewer Cost as % of MAGI	Financial Burden
0	1,424,830	0.00%	47,494	11,874	695,565	0	754,933	44.94	2.17%	HIGH
0	1,424,830	0.50%	51,264	12,816	695,565	0	759,645	45.22	2.18%	HIGH
0	1,424,830	1.00%	55,209	13,802	695,565	0	764,577	45.51	2.19%	HIGH
0	1,424,830	1.50%	59,329	14,832	695,565	0	769,726	45.82	2.21%	HIGH
0	1,424,830	2.00%	63,619	15,905	695,565	0	775,088	46.14	2.22%	HIGH
0	1,424,830	2.50%	68,075	17,019	695,565	0	780,659	46.47	2.24%	HIGH
0	1,424,830	3.00%	72,694	18,173	695,565	0	786,432	46.81	2.26%	HIGH
0	1,424,830	3.50%	77,470	19,367	695,565	0	792,402	47.17	2.27%	HIGH
0	1,424,830	4.00%	82,398	20,600	695,565	0	798,563	47.53	2.29%	HIGH

FNI Calculation

	Local Value	State Value	Score	Weighting Factor	Weighting Score
Unemployment Rate	0.0%	3.5%	1.00	4	4.00
Poverty Rate	17.1%	8.8%	2.66	2.5	6.65
Threshold LQI	\$ 11,250	\$ 37,685	3.00	2.5	7.50
Population Growth Rate	-31.0%	19.0%	3.00	1	3.00
Financial Need Indicator (Sum of weighted Scores/10)					2.12

Table **
S2301
S1701
B19080
B01003

** <https://data.census.gov/cedsci/>

Financial Burden Matrix

FNI	Modified MAGI				
	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	Low	Medium	Medium	High
1.5 to 2.5	Low	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High



State of Utah

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Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of
Environmental Quality

Kimberly D. Shelley
Executive Director

DIVISION OF WATER QUALITY
John K. Mackey, P.E.
Director

Water Quality Board
James Webb, Chair
Michelle Kaufusi, Vice Chair
Carly Castle
Robert Fehr
Michela Harris
Joseph Havasi
Trevor Heaton
Jill Jones
Kimberly D. Shelley
John K. Mackey

WATER QUALITY BOARD
FEASIBILITY REPORT FOR WASTEWATER TREATMENT PROJECT
INTRODUCTION

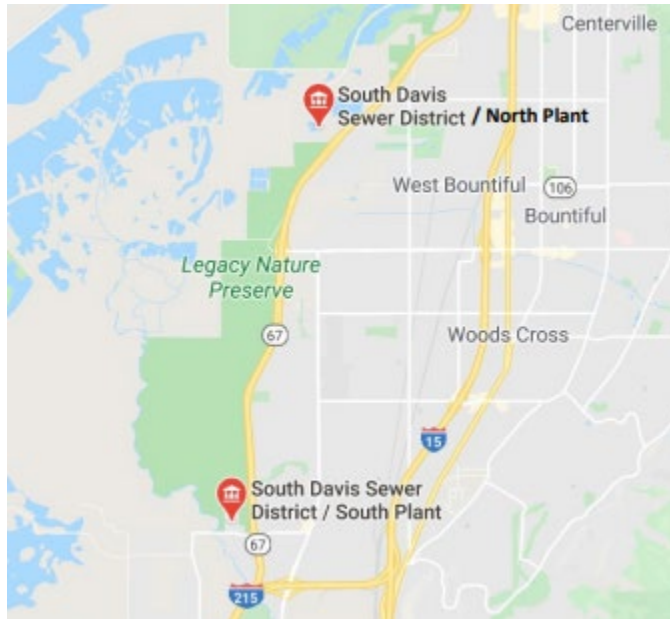
APPLICANT:	South Davis Sewer District 1800 West 1200 North West Bountiful, Utah 84087 Telephone: (801) 295-3469
PRESIDING OFFICIAL	Matthew Myers, General Manager
CONTACT:	Matthew Myers, General Manager
TREASURER:	Matthew Myers
CONSULTING ENGINEER:	Brad Rasmussen Aqua Engineering (801) 536-1426
BOND COUNSEL:	Ryan Bjerke Capman & Cutler (801) 53-1426
FINANCIAL ADVISOR	Matt Dugdale Stifel

APPLICANT'S REQUEST

South Davis Sewer District (SDSD) is requesting funding from the Water Quality Board in the amount of \$49,237,000 to install a moving bed biological reactor (MBBR) with chemical addition at their North Plant.

APPLICANT'S LOCATION

South Davis Sewer District is located in Davis County and provides wastewater services to the southern half of Davis County; consisting of Bountiful, Centerville, North Salt Lake, West Bountiful, Woods Cross, and the unincorporated areas south of Lund Lane. SDSD owns and operates two treatment plants: the North Plant (12 MGD) in West Bountiful and the South Plant (4 MGD) in North Salt Lake.



BACKGROUND

SDSD provides sewer services to 34,096 residential households. SDSD is facing more stringent effluent limits for phosphorus and ammonia. In December 2017, the ammonia effluent limits were lowered on both plants based on an updated Jordan River Watershed wasteload analysis that evaluated all POTWs discharges to the Jordan River. At the North Plant, maximum monthly average effluent limits were reduced for: Spring (Mar-May) from 12 mg/l to 6 mg/l, Summer (Jun-Aug) from 8 mg/l to 5.5 mg/l, and Fall (Sep-Nov) from 10 mg/l to 6.5 mg/l.

SDSD previously received a Board authorization for a project to construct an algae-based tertiary treatment system for nutrient removal. The authorization was for a loan of \$14,176,000 with an interest rate of 0.25% and a 20-year term, including \$1,000,000 in principal reserved for SRF eligible nonpoint source project funding. SDSD previously changed the location of the project from the South Plant to the North Plant. SDSD spent over 4 years piloting the process. Due to process reliability issues, SDSD made the decision to proceed with an alternative treatment technology to meet their compliance schedule. As this application is a substantive change to the scope of the previous project it is viewed as a new application and the previous (South Plant) authorization has been removed from the financial report.

PROJECT NEED

South Davis Sewer District has a compliance schedule for the North Plant to reduce their ammonia discharge by September 1, 2026. The North Plant is trickling filter plant without additional ammonia removal. For the facility to reduce their ammonia discharge, an upgrade is required.

PROJECT DESCRIPTION

The North Plant intends to upgrade nutrient removal, solids treatment, and solids handling. This upgrade as determined through an alternatives evaluation requires the installation of a grit removal system, an MBBR with a concrete basin along with an aeration grid and three 500 HP blowers to aerate the basin. A blower building will be needed and an upgrade to their pumps will be required to pump to the new MBBR. Finally, a new digester tank will be installed to handle the additional solids.

ALTERNATIVES EVALUATED

Five alternatives were evaluated for the North Plant: 1. Eco Recover with an MBBR tank; 2. Eco Recover with more capacity; 3. MBBR and Ferric Addition; 4. Biological Nutrient Removal with Side Stream Treatment; 5. Biological Nutrient Removal with Thermal Drying. Due to the risks of operating the Eco Recover within the timeline of the compliance schedule alternative 3 was chosen as it has the lowest upfront capital cost compared to the other alternatives and is proven technology that has worked in various locations including the South Plant.

POSITION ON PROJECT PRIORITY LIST

SDSD is currently ranked No. 1 of 11 on the FY 2023 Wastewater Treatment Project Priority List (PPL).

POPULATION GROWTH

Based on the 2020 US Census data the 2020 population was 103,000. According to the State's projections the SDSD has a growth rate of 8% from 2010 to 2020. This results in a build out population of 130,000 people in 2050.

Year	Population
2020	103,000
2040	120,000
2050	130,000

IMPLEMENTATION SCHEDULE

Construction will be initiated in 2024 and finished in 2026.

APPLICANT'S CURRENT USER CHARGE

Currently, South Davis Sewer District charges approximately \$26 per ERU. According to the Utah Water Quality Board's criteria of 1.4% MAGI (\$57,603 for SDSL North Plant), a rate of \$67.20 per month for wastewater service should be exceeded for grant consideration. The impact fee is \$2,453.00. There is no hookup fee.

COST ESTIMATE

A breakdown of the costs follows.

Legal/Bonding	\$30,000
Loan Origination Fee	\$537,000
Engineering – CMS	\$6,735,000
Wastewater Treatment Plant Upgrades	\$37,956,000
Contingency (13%)	\$8,979,000
Total Project Costs	\$54,237,000

COST SHARING

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
Existing Bond	\$5,000,0000	9.2%
WQB Funding	\$49,237,000	90.8%

EFFORTS TO SECURE FINANCING FROM OTHER SOURCES

The SDSL has around \$5,000,000 in an existing direct payment bond from Zions Bank, an application into the Water Infrastructure Finance and Innovation Act, and will bond publicly for outstanding need. SDSL is a large sewer district which received a Bond Rating in 2017 and is capable of borrowing on the private market. SDSL's financial advisors indicated they could Bond on the open market for \$50,000,000 at a 4.5% interest rate with a 20-year term. In the case of SDSL, credit enhancement agreements and interest buydown agreements could be evaluated for availability.

Finally, SDSL has indicated they will be pursuing a Water Infrastructure Finance and Innovation Act (WIFIA) loan. WIFIA is a loan program similar to the CWSRF administers directly by EPA. The program is created to handle projects too large for State SRF programs. Large communities have a minimum project size of \$20 million. If successful, WIFIA can only fund 49% of a project. Co-funding from a State's SRF program is viewed as a positive under WIFIA evaluation.

ESTIMATED ANNUAL COST FOR SEWER SERVICE

Different funding options result in different annual sewer costs. A cost model is shown in Attachment 1, which analyzes many possible funding options. The resulting total annual sewer cost is shown for each funding option.

FINANCIAL BURDEN EVALUATION

The cost for sewer service shows the City does not qualify for grant consideration as part of a funding package under the State Affordability Criteria. In accordance with the Board's Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, staff utilized data from the United State Census Bureau (census) website (<https://data.census.gov/cedsci/>) to calculate the City's Financial Need Indicator (FNI). The calculated FNI is 1.60. Staff compared this FNI to the percent modified MAGI in the Financial Burden Matrix and displayed the Financial Burden in Attachment 1. Based on the Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, the community has a Financial Burden of Low.

A cost model is included as Attachment 1. As can be seen in the model none of the options exceed 1.4% of MAGI. Therefore, the project does not exceed the threshold for grant consideration.

STAFF COMMENTS

Staff is supportive of the project as the installation of the MBBR can be completed expeditiously without substantial site changes at the North Plant. The project is important to reduce ammonia concentrations in the receiving water.

No staff recommendations for funding are included in this report, as this is an introduction of the project.

ATTACHMENT 1
SDSD North Plant - Water Quality Board
20 Year Loan Static Cost Model

Project Costs

Legal/Bonding	\$	30,000
Loan Origination Fee	\$	537,000
Engineering - Design		
Engineering - CMS	\$	6,735,000
Wastewater Treatment Plant	\$	37,956,000
Contingency (13%)	\$	8,979,000
Total Project Cost:	\$	54,237,000

Current Customer Base & User Charges

Initial Total Customer (ERU's)	43,766
MAGI for SDSD (2020):	\$57,603
Affordable Monthly Rate at 1.4%	\$67.20
Impact Fee (per ERU):	\$2,453
Current Monthly Fee (per ERU)	\$26.00
Debt Service	\$1,401,950
Annual O&M expense	\$8,000,000

Project Funding

Local Contribution	\$	5,000,000
Amount to be Funded	\$	49,237,000
WQB Grant	\$	-
Total Project Cost:	\$	54,237,000

Funding Conditions

Loan Repayment Term:	20
Reserve Funding Period:	6

ESTIMATED COST OF SEWER SERVICE

WQB Loan	Private Loan Amount	WQB Loan Interest Rate	Private Loan Interest Rate*	WQB Loan Debt Service	WQB Loan Reserve	Private Loan Debt Service	Annual Sewer	Existing Debt Service	Total Annual Sewer Cost	Monthly Sewer Cost/ ERU	Sewer Cost as % of MAGI	Financial Burden
0	49,237,000	0.00%	4.50%	0	0	3,785,151	8,000,000	1401950	13,187,101	25.11	0.52%	LOW
45,000,000	4,237,000	0.00%	4.50%	2,250,000	562,500	325,724	8,000,000	1401950	12,540,174	23.88	0.50%	LOW
40,000,000	9,237,000	3.50%	4.50%	2,814,443	703,611	710,105	8,000,000	1401950	13,630,109	25.95	0.54%	LOW
35,000,000	14,237,000	3.50%	4.50%	2,462,638	615,659	1,094,486	8,000,000	1401950	13,574,733	25.85	0.54%	LOW
30,000,000	19,237,000	3.50%	4.50%	2,110,832	527,708	1,478,866	8,000,000	1401950	13,519,357	25.74	0.54%	LOW
25,000,000	24,237,000	3.50%	4.50%	1,759,027	439,757	1,863,247	8,000,000	1401950	13,463,981	25.64	0.53%	LOW
20,000,000	29,237,000	3.50%	4.50%	1,407,222	351,805	2,247,628	8,000,000	1401950	13,408,605	25.53	0.53%	LOW
15,000,000	34,237,000	3.50%	4.50%	1,055,416	263,854	2,632,009	8,000,000	1401950	13,353,229	25.43	0.53%	LOW
10,000,000	39,237,000	3.50%	4.50%	703,611	175,903	3,016,389	8,000,000	1401950	13,297,853	25.32	0.53%	LOW
5,000,000	44,237,000	3.50%	4.50%	351,805	87,951	3,400,770	8,000,000	1401950	13,242,477	25.21	0.53%	LOW

*Staff Estimate

FNI Calculation					
	Local Value	State Value	Score	Weighting Factor	Weighting Score
Unemployment Rate	2.5%	3.5%	1.50	4	6.00
Poverty Rate	5.7%	8.8%	1.00	2.5	2.50
Threshold LQI	\$ 42,786	\$ 37,685	1.00	2.5	2.50
Population Growth Rate	8.4%	19.0%	2.11	1	2.11
Financial Need Indicator (Sum of weighted Scores/10)					1.31

Table **

S2301
S1701
B19080
B01003

** <https://data.census.gov/cedsci/>

Financial Burden Matrix					
Modified MAGI					
FNI	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	Low	Medium	Medium	High
1.5 to 2.5	Low	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High



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Michela Harris
Joseph Havasi
Trevor Heaton
Jill Jones
Kimberly D. Shelley
John K. Mackey

WATER QUALITY BOARD FEASIBILITY REPORT FOR WASTEWATER TREATMENT PROJECT INTRODUCTION

APPLICANT: Mount Pleasant City
106 West Main Street
Mount Pleasant, UT 84647
Telephone: 435-462-2456

PRESIDING OFFICIAL: Michael Olsen, Mayor

CONTACT: Michael Olsen, Mayor
Email: mayor@mtpleasantcity.com
Telephone: 435-462-2456

TREASURER: Dave Oxman, Finance Director

CONSULTING ENGINEER: Gary Vance, P.E.
J-U-B Engineers, Inc.
466 North 900 West
Kaysville, UT 84037
Telephone: 801-547-0393

BOND COUNSEL: Richard Chamberlain
Chamberlain Associates LLC
225 North 100 East
Richfield, UT 84701
Telephone: 435-896-4461

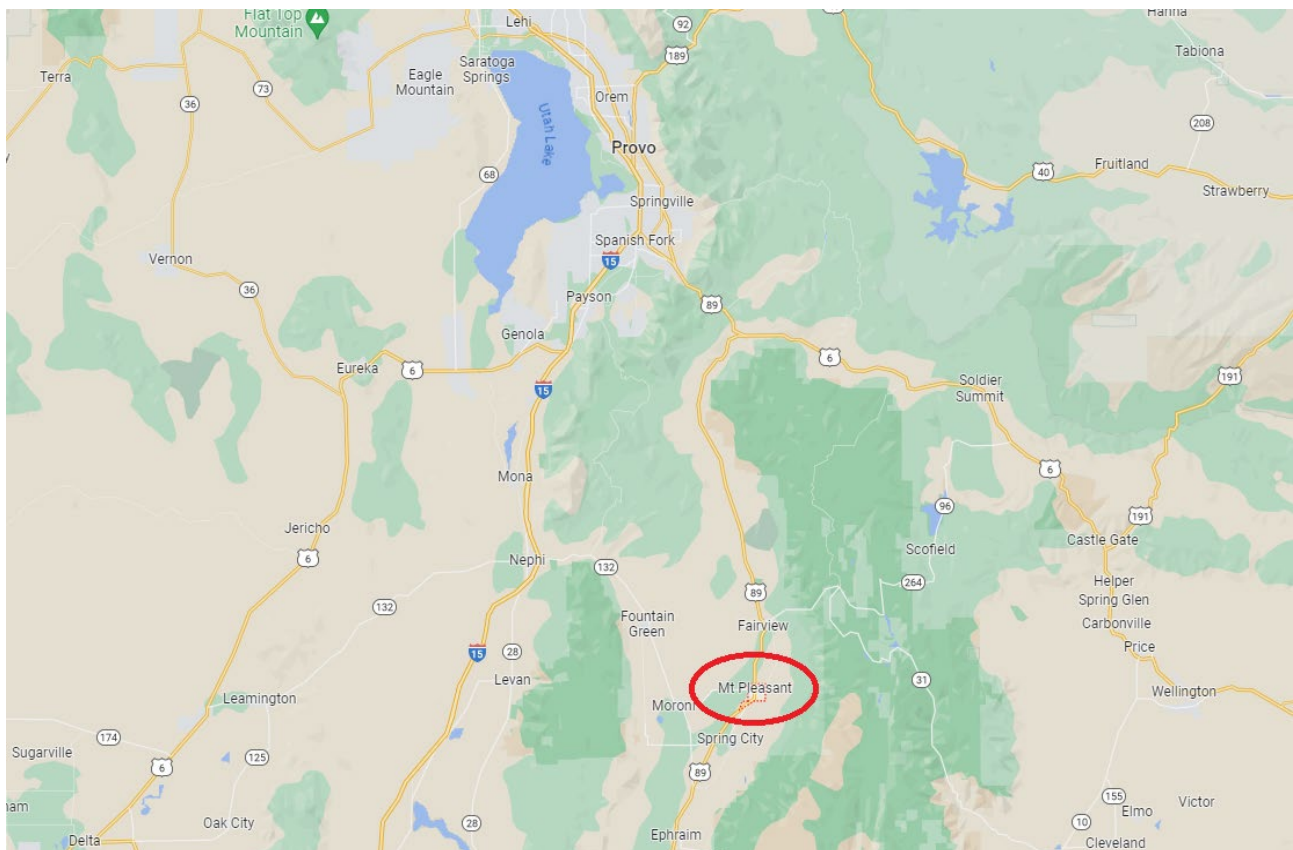
FINANCIAL ADVISOR: Cody Deeter, President
2110 N Dapple Dr
Tooele, Utah 84074
Telephone: 801-885-1226

APPLICANT'S REQUEST

Mount Pleasant City is requesting funding from the Water Quality Board in the amount **\$2,670,000** for new construction and upgrades to their existing wastewater treatment facility per the conclusions and recommendations from their 2022 Master Plan. This request is for the following: construction of a new headworks building including mechanical fine screen; installation of a septage receiving station at headworks; and bringing cell #3 of the existing total containment lagoon system on-line to increase capacity.

APPLICANT'S LOCATION

The project is located in Mount Pleasant City, to the south of Provo along Highway 89 in Sanpete County.



PROJECT BACKGROUND

Mt. Pleasant City's wastewater treatment facility is classified as a non-discharging wastewater lagoon under General Permit No. UTOP00128, serving approximately 3,698 citizens.

In 2021, Mt. Pleasant City was granted a planning advance by the Board to conduct a study on the condition of the existing collection and treatment system to determine the need for capital improvement projects, including the introduction of a new headworks facility.

The study was completed and a Master Plan produced in December 2022. Recommendations from the Master Plan included the installation of a mechanical fine screen upstream of the lagoons, incorporation of septage receiving into the headworks to allow septage to be treated within the lagoon system and better service septage haulers, and expansion of lagoon capacity.

PROJECT NEED

The existing lagoon system does not have a headworks treatment system, and has seen an increase in non-biodegradable objects entering the system. The 2022 Master Plan recommended the construction of a new headworks facility to handle these solids. Septage receiving capabilities were also recommended with the construction of the headworks facility, as septage is not handled by the lagoon treatment system and is currently dumped into their abandoned Cell #3. A septage receiving station would incorporate septage into the treatment system, as well as provide more accessibility for septage haulers using the facility. Finally, the Master Plan recommended expanding lagoon capacity to meet future growth needs, as their 2-cell system is approaching capacity. To achieve this, the City plans to re-line the abandoned Cell #3 as the original clay liner is damaged with vegetation/cracking and needs replacement. An HDPE geomembrane liner is recommended.

ALTERNATIVES EVALUATED

An alternatives analysis was included in the report and presented to the City Council on November 8th, 2022. The Council selected their preferred alternatives as outlined in the Master Plan – A rotary drum screen in channel with a new headworks building, HDPE geomembrane liner for Cell #3, and a custom septage receiving station.

PROJECT DESCRIPTION

The project will include the construction of a headworks building with mechanical fine screen, installation of a septage receiving station at the new headworks, and lining Cell #3 with an HDPE geomembrane liner.

POPULATION GROWTH

Based on census data collected, the population growth over the past 10 years has been ~1% per year. The 2022 Master Plan estimates a future population growth of 2% per year projected to 2072 based on input from the City.

PUBLIC PARTICIPATION AND DEMONSTRATION OF PUBLIC SUPPORT

The City has had several public meetings regarding the project over the past two years and believes the public is well-informed. The City Council is involved and supportive of the project, and has demonstrated their support by implementing sewer impact fees and exploring financial assistance with DWQ. A public hearing will be held for the purpose of receiving comments on the project. The City will hold a final public hearing once funding is secured.

IMPLEMENTATION SCHEDULE

Construction is anticipated to begin in April 2024, with construction expected to be completed by the end of 2025.

APPLICANT’S CURRENT USER CHARGE

The current user charges are based on water usage, with a base rate of \$17.50 for up to 3,000 gallons, and an overage rate of \$1.75 per 1,000 gallons. There is a \$400 sewer connection fee, and a \$3,000 sewer and water excavation inspection fee. The current impact fee is \$1,557.

COST ESTIMATE

The total cost of the project and request for funding is \$2,670,000. This includes 15% Engineering Design & CMS and a 50% contingency with the cost estimate. A breakdown of the cost by project is included below.

Headworks Building	\$1,150,000
Septage Receiving Station	\$270,000
HDPE liner in Cell #3	\$1,250,000
Total Cost	\$2,670,000

STAFF COMMENTS AND RECOMMENDATION

Staff is very supportive of the project. The City has done an excellent job of maintaining the system and keeping rates low, and this project addresses an immediate need for a small rural community with limited capital funds available. No staff recommendations for funding are included in this report, as this is an introduction of the project and will not be voted on at this time. It should be noted that a portion of this project, the septage receiving station, is eligible for funding under the Green Project Reserve, and this portion may be partially funded under principal forgiveness.

Mt Pleasant - Water Quality Board
20 Year Loan Static Cost Model

Project Costs

Legal/Bonding	\$ -
DWQ Loan Origination Fee	\$ 26,700
Engineering - Design & CMS (15%, included in total cost)	
<i>Headworks Building</i>	\$ 1,150,000
<i>Septage Receiving Station</i>	\$ 270,000
<i>HDPE liner in Cell #3</i>	\$ 1,250,000
<i>Construction subtotal</i>	\$ 2,670,000
Contingency (50%, included in construction costs)	
Total Project Cost:	\$ 2,670,000

Current Customer Base & User Charges

Initial Total Customer (ERU's)	1,266	
MAGI for Mt Pleasant (2020):	\$40,800	
Affordable Monthly Rate at 1.4%	\$47.60	
Impact Fee (per ERU):	\$1,557	
Current Monthly Fee (per ERU)	\$22.50	avg monthly bill
Debt Service	\$0	
Annual O&M expense	\$300,000	

Project Funding

Local Contribution	\$ -
Amount to be Funded	\$ 2,670,000
WQB Grant	\$ -
Total Project Cost:	\$ 2,670,000

Funding Conditions

Loan Repayment Term:	20
Reserve Funding Period:	6

ESTIMATED COST OF SEWER SERVICE

WQB Grant	WQB Loan	Private Loan Amount	WQB Loan Interest Rate	Private Loan Interest Rate*	WQB Loan Debt Service	WQB Loan Reserve	Private Loan Debt Service	Annual Sewer	Existing Debt Service	Total Annual Sewer Cost	Monthly Sewer Cost/ ERU	Sewer Cost as % of MAGI	Financial Burden
	0	2,670,000	0.00%	4.50%	0	0	205,259	300,000	0	505,259	33.26	0.98%	LOW
	2,670,000	0	0.00%	4.50%	133,500	33,375	0	300,000	0	466,875	30.73	0.90%	LOW
	2,670,000	0	0.50%	4.50%	140,619	35,155	0	300,000	0	475,774	31.32	0.92%	LOW
	2,670,000	0	1.00%	4.50%	147,959	36,990	0	300,000	0	484,949	31.92	0.94%	LOW
	2,670,000	0	1.50%	4.50%	155,516	38,879	0	300,000	0	494,395	32.54	0.96%	LOW
	2,670,000	0	2.00%	4.50%	163,288	40,822	0	300,000	0	504,111	33.18	0.98%	LOW
	2,670,000	0	2.50%	4.50%	171,273	42,818	0	300,000	0	514,091	33.84	1.00%	LOW
	2,670,000	0	3.00%	4.50%	179,466	44,866	0	300,000	0	524,332	34.51	1.02%	LOW
	2,670,000	0	3.50%	4.50%	187,864	46,966	0	300,000	0	534,830	35.20	1.04%	LOW

*Staff Estimate

FNI Calculation					
	Local Value	State Value	Score	Weighting Factor	Weighting Score
Unemployment Rate	3.7%	3.6%	2.05	4	8.20
Poverty Rate	18.6%	9.1%	2.90	2.5	7.25
Threshold LQI	\$ 26,957	\$ 35,445	1.96	2.5	4.90
Population Growth Rate	9.0%	18.6%	1.97	1	1.97
Financial Need Indicator (Sum of weighted Scores/10)					2.23

Table **

S2301
 S1701
 B19080
 B01003

Financial Burden Matrix					
	Modified MAGI				
FNI	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	Low	Medium	Medium	High
1.5 to 2.5	Low	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High



State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of
Environmental Quality

Kimberly D. Shelley
Executive Director

DIVISION OF WATER QUALITY
John K. Mackey, P.E.
Director

Water Quality Board
James Webb, Chair
Michelle Kaufusi, Vice Chair
Carly Castle
Robert Fehr
Michela Harris
Joseph Havasi
Trevor Heaton
Jill Jones
Kimberly D. Shelley
John K. Mackey

WATER QUALITY BOARD
FEASIBILITY REPORT FOR SEWER IMPROVEMENT PROJECT

INTRODUCTION

APPLICANT: Lewiston City
29 South Main
Lewiston, Utah 84320
Telephone: 435-258-2141

CONTACT PERSON: Mayor Jeff Hall

TREASURER/RECORDER: Mary Simpson

CONSULTING ENGINEER: Gary Vance, P.E.
J-U-B Engineers.
801-547-0393

CITY ATTORNEY: Miles P. Jensen
Olson & Hoggan P.C.
435-752-1551

BOND COUNSEL: Eric Johnson
Blaisdell Church & Johnson

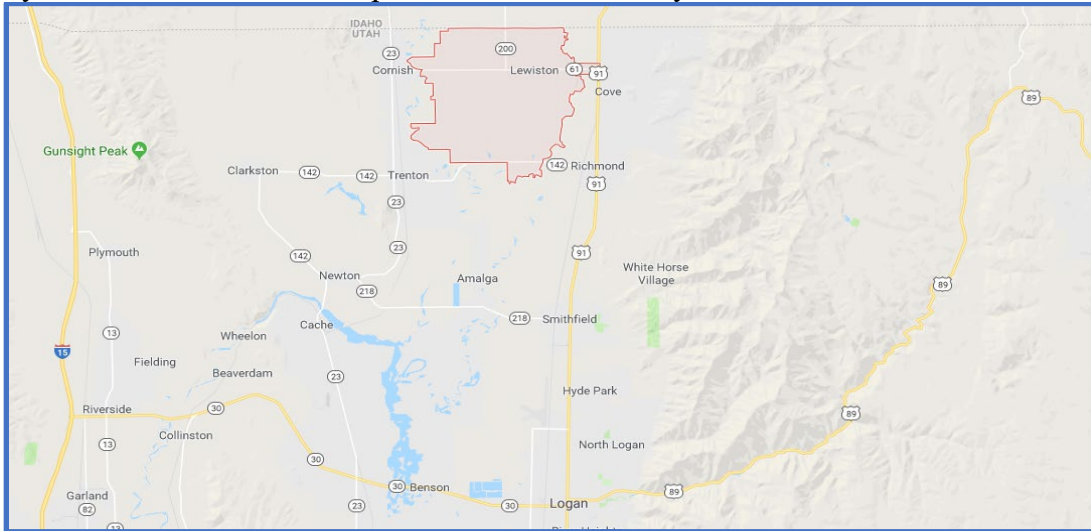
FINANCIAL ADVISOR: Cody Deeter
EFG Consulting, LLC

APPLICANT'S REQUEST:

Lewiston City is requesting funding from the Water Quality Board in the amount of **\$6,512,000** to upgrade the sewer system and connect its collection system to the Richmond MBR treatment plant.

APPLICANT'S LOCATION

Lewiston City is located approximately 27 miles north of Lewiston on the Utah-Idaho Border. The City is located in the northern portion of Cache County.



BACKGROUND

The City owns and operates a collection and lagoon wastewater systems. The system as currently configured is not capable of meeting the capacity and the future needs of the city. The collection system includes a lift station, around 3.3 miles of 8", 1.3 miles of 10" of bell and spigot concrete pipe constructed in 1974. The treatment system was constructed in 1974 and was designed as a three-cell total containment facultative lagoon treatment system. Chlorine disinfection and sulfur dioxide de-chlorination were added to the treatment facility in 1999. The lagoons discharge intermittently to the Cub River.

PROJECT NEED

The City completed a Wastewater Collection System and Treatment Facilities Plan in January 2020. The Facilities Plan recommended updated collection, treatment and land application to deal with future capacity and nutrient limits that could be imposed by the Cub River TMDL, phosphorus load cap rule, and growth in the community.

ALTERNATIVES EVALUATED

The Facilities Plan evaluated the following alternatives:

- Alternative 1: No action
- Alternative 2: Upgrade Collection and Lagoon Systems
- Alternative 3: Upgrade Lagoons, Winter Storage, and Land Apply All Effluent
- Alternative 4: Full Regionalization with Richmond

Alternative 3

Alternative 3 consists of improvements and upgrades to replace aging infrastructure, eliminate capacity limitations, improve lagoon wastewater treatment performance and enhance the overall system maintainability, flexibility, reliability, and customer service prior to discharge into the Cub River. The Alternative includes construction of a new lift station, 7,200 feet of sewer pipe capacity upgrades, treatment plant headworks upgrade, increased lagoon aeration capacity, new chlorination and de-chlorination facilities, and a new effluent reaeration facility. These improvements are needed to upgrade lift station and improve wastewater lagoon treatment performance and reliability.

Lewiston pursued Alternative 3 bidding the project twice. Lewiston appeared in front of the Board twice first receiving a \$500,000 hardship grant. After bids came in high Lewiston reappeared in front of the Board resulting in undisbursed hardship grant funds de-obligated and \$1,400,000 in funding authorized including a \$400,000 loan at 0% for a term of 30 year and \$1,000,000 in principal forgiveness. After the bids came in high again in winter 2023 Lewiston enquired if the Board had additional grant funds but they had been all authorized during October 2022. Lewiston did not indicate any interest if returning for addition loan funds which were available. Lewiston did not apply to United States Department of Agriculture-Rural Development (USDA-RD) which likely had additional funds available as a grant/loan blend.

Alternative 3 project is a total of \$6,436,000. In addition to the \$1,400,000 of Board funding previously discuss, the Alternative had funds authorized from USDA-RD as a \$2,052,000 1.875% interest 40-year loan and \$483,000 of grant funds for a total of \$2,535,000. Lewiston City now has \$1,500,000 in the sewer fund from sale of land for commercial development. The following cost sharing is proposed for this project including lagoon treatment system:

Funding Source	Cost Sharing	Percent of Project
Local Sewer Fund	\$1,500,000	23%
WQB Funding	\$1,400,000	22%
USDA-RD Funding	\$2,535,000	39%
Total:	\$6,436,000	100%
Funding Shortfall	\$1,001,000	16%

Staff has included a cost model for Alternative 3 as Attachment 1. Staff indicated to Lewiston that as it is a new fiscal year there are additional principal forgiveness funds available which Alternative 3 would be eligible for Board consideration. Lewiston stated they wished to pursue Alternative 4 to connect to Richmond’s treatment plant. As Alternative is substantially different from the previous project scope of work staff has removed Lewiston’s previous Board authorization from the August 2023 Financial Report. Lewiston hopes to redirect the USDA-RD funding to Alternative 4, however during a phone call with USDA-RD staff they indicated this would be challenging.

Alternative 4

The proposed project would include the improvement of the collection system, connecting to the regional Richmond MBR wastewater treatment facility. It will address current and future treatment needs by pumping sewer flows to the Richmond City mechanical treatment plant, thereby eliminating the current Lewiston treatment lagoons. The City feels that this regionalization of treatment will be a long-term solution for the community. Effluent quality will be greatly improved by regionalizing and treating the city's sewer in Richmond's MBR. This also opens up Type 1 reuse opportunities.

The existing collection system lift station is over 50 years old and is undersized for current and future flows. The main sewer trunk line is also aging and has inadequate capacity and experiences surcharging within the system. The proposed project will address the existing lift station aging and main trunk deficiencies. The recommended Alternative is No. 4, which is to improve the collection system and connect to the Richmond MBR treatment works.

PROJECT DESCRIPTION

The proposed project will improve collections and convey the city's wastewater to Richmond City's MBR wastewater treatment system for treatment and disposal. As part of this project, the following improvements will be implemented:

Refurbish the Existing Lift Station. This lift station and the equipment is old and showing signs of corrosion, the lift station will be refurbished with a new lining system, new pumps and rails, controls, SCADA and backup power

New Pump Station. A new pump station will be installed near the bottom of the system that will pump the City sewer flows through a force main to an intermediate pump station. The new pump station will be complete with SCADA and backup power.

Force Main. A new 2-mile force main pipe will be installed from the new pump station and south along 800 E where it will transition into a gravity system.

Gravity System. A new 1/2-mile gravity sewer will be installed to convey the flows from the force main along 800 E down the hill and under the Cub River to the Intermediate Pump Station.

Intermediate Pump Station. A new intermediate pump station will be installed on the west side of the Cub River that will pump the City sewer flows through a 2.21-mile force main to the Richmond Treatment Plant headworks. The new pump station will be complete with SCADA and backup power.

POPULATION GROWTH

The population of the City is projected growth at an annual rate used will be 1.20% by United States Census Bureau. Current populations and associated ERUs are shown in the table below along with the 20-year projections.

	<u>Year</u>	<u>Population</u>	<u>ERU²</u>	<u>Population on Sewer</u>	<u>ERU on Sewer²</u>
Current	2020	1,776	456	885	300
Design	2039	2,515	796	1,440	488

²ERU = Equivalent Residential Connection.

PUBLIC PARTICIPATION AND DEMONSTRATION OF PUBLIC SUPPORT:

Public Meetings and several City Council meetings were held to discuss the initial project and potential funding of Alternative 3. City council has discussed the Alternative 3 in several open public meetings. The council was in favor of a project that will serve long term needs and the elimination of the City's lagoon treatment facility provided that the financial aspects can be satisfied. This includes the support of the council to raise user rates to meet those financial needs. It is not clear the City Council discussed the sort of rates estimated for Alternative 4.

The public hearings will be held as required when funding is authorized. The City will hold a final public hearing once funding is secured.

IMPLEMENTATION SCHEDULE:

Public Meeting	July 2023
Apply to WQB for Funding:	August 2023
Public Hearing:	October 2023
WQB Funding Authorization:	September 2023
Advertise EA (FONSI):	October 2023
Engineering Report Approval:	Novenary 2023
Commence Design:	December 2023
Issue Construction Permit:	October 2024
Advertise for Bids:	January 2025
Bid Opening:	February 2025
Loan Closing:	April 2025
Commence Construction:	June 2025
Complete Construction:	June 2026

PROJECT PRIORITY LIST

The proposed project was ranked 7 out of 11 on the project priority list.

APPLICANT’S CURRENT USER CHARGE:

Currently, the City charges a sewer user fee of approximately \$53.00 per residential and non-residential connection per month. There are approximately 456 ERUs in the City with 300 ERUs on the sewer. The City’s median adjusted gross income (MAGI) in 2021 was \$47,000 and the affordable monthly fee was \$54.83. The cost of this project will result in a sewer services exceeding 1.4% of the local MAGI if the Richmond MBR for treatment in be selected.

COSTS SHARING:

The following cost sharing is proposed for this project including treatment connecting Richmond MBR treatment system:

Funding Source	Cost Sharing	Percent of Project
Local Cost	\$1,500,000	14%
WQB Funding	\$6,512,000	62%
USDA-RD Funding	\$2,535,000	24%
Total:	\$10,547,000	100%

COST ESTIMATE:

Project Costs

Legal/Bonding/ Easement/Water Rights/ Environmental/ NEPA	\$297,000
DWQ Loan Origination Fee	60,000
Engineering - Design & CMS	\$710,000
Capacity Purchase to Richmond City’s Treatment	\$2,280,000
Construction	\$6,000,000
Contingency (21%)	\$1,200,000
Total:	\$10,547,000

EFFORTS TO SECURE FINANCING FROM OTHER SOURCES:

The City intends to reapply to USDA-RD to apply the previously authorized Alternative 3 funds to Alternative 4. This request will be presented during the USDA-RD’s meeting that will be held in September 2023.

ESTIMATED ANNUAL COST FOR SEWER SERVICE:

In order to develop a valid detailed cost model staff requires the cost to purchase capacity in the Richmond treatment plant and the monthly rate for treatment at the Richmond treatment plant. These costs would be defined in an interlocal agreement between Lewiston and Richmond which does not exist yet. These costs will be taken from the Preliminary Engineering Report (PER) from March 2020. Discussion were held with Richmond during the preparation of this report but costs may be outdated. The PER estimates \$2,280,000 in capacity cost and \$47/month per ERU in treatment costs.

According to the Richmond website the sewer fee is \$77/month for up to 20,000 gallons of wastewater discharged into the system. The PER estimates the City's annual average wastewater flow at approximately 100,000 gpd. Assuming Richmond applied the \$77 per 20,000 gallons this results in a cost of approximately \$40/month per ERU. The website states the impact fee to Richmond for a 4" connection in 2023 is \$7,952.

Staff developed static cost model for Alternative 4 (Attachment 2) to evaluate funding by the Board. The cost model analyzes several possible funding options. The resulting Total Annual Sewer Cost is shown for each funding option. Staff estimates the City will grow by 126 ERUs over 19 years with an impact fee of \$8,056 per ERU that is \$80,0650/yr. in impact fees. Incorporating these impact fees and \$3,800,000 in principal forgiveness (the maximum staff believes is available for the FY23 application period) from the Board the projected **sewer rate is \$109**. In order to reduce the monthly rate more the City would either have to find additional City funds, grant funds from another source, get Richmond to dismiss the impact fees, or reduce the monthly treatment fee.

FINANCIAL BURDEN EVALUATION:

The cost for sewer service shows the City will qualify for grant consideration as part of a funding package under the State Affordability Criteria. In accordance with the Board's Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, staff utilized data from the United State Census Bureau (census) website (<https://data.census.gov/cedsci/>) to calculate the City's Financial Need Indicator (FNI). The calculated FNI is 1.14 which is the bottom of the range of the FNI. Staff compared this FNI to the percent modified MAGI in the Financial Burden Matrix and displayed the Financial Burden in Attachment 1 or Attachment 2.

Based on the Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, Alternative 3 would result in the community having a Financial Burden of Low. However, based on the Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, Alternative 4 would result in the community having a Financial Burden of **High**.

STAFF COMMENTS

The recommended Alternative 4 would connect the City's sewer to the regional wastewater treatment plant in Richmond City, linking the regional needs for water quality protection. Staff supports the city's project to improve a collection and treatment improvements that will protect the water quality. Alternative 4 will enable the City to sustain its public health, current rate of growth and aging infrastructure. Through regionalization of wastewater treatment services, the City utilities often benefit from reduced capital and operational costs, and increased economies of scale. Efficiencies of regionalization are achieved in administrative tasks (billing, planning, rate setting or engineering services) and operational tasks (equipment maintenance, sampling, laboratory testing, day-to-day operations).

Staff remains uncertain if the City is fully prepared to take on Alternative 4 at the projected monthly sewer rates. Staff would feel more comfortable proceeding with a funding authorization if the City held a public meeting detailing the project and the projected monthly user rates. In addition, a draft interlocal agreement would greatly aid cost evaluations.

Staff does not have a strong preference between Alternative 3 and 4. Both are good projects which will protect water quality and result in a long-term solution for Lewiston. Lewiston has appeared in front of the Board other times in pursuit of a project. Staff would like to see a successful project in Lewiston and is concerned about the bidding environment and the potential impacts of a Board authorization on USDA-RD funds.

One idea is a potential Board authorization which might offer Lewiston some discretion in the Alternative ultimately selected. One such approach the Board might consider is an authorization at a grant/loan ratio with a not to exceed total funding amount. This is not a typical authorization from the Board but would give the Executive Secretary to the Board the ability to set the final grant and loan amounts after bids are received. Staff has added a "WQB Grant Percent" column in the Attached Cost Models so the Board can consider the concept.

Another potential idea would be to reserve some funds on the Financial Report and ask Lewiston to report back a meeting potentially later than October when project details are more developed. While this idea might add clarity for staff and the Board it would pose challenges to Lewiston's leadership while trying to do outreach on a very financially challenging project. Staff would encourage Board discussion on this topic with Lewiston and during the September Finance Committee meeting.

No staff recommendations for funding are included in this report, as this is an introduction of the project.

DWQ-2023-121503

File: SRF-Lewiston City, Administration, Section 1

ATTACHEMENT 1

Lewiston City - Water Quality Board

30 Year Loan Static Cost Model - Lewiston's Collection and Lagoon treatment system

Project Costs				Current Customer Base & User Charges			
Legal/Bonding - Environmental		\$	40,000	Initial Total Customer (ERU's)			300
DWQ Loan Origination Fee		\$	-	MAGI for Lewiston City (2021):			\$47,000
Engineering - Design & CMS		\$	433,000	Affordable Monthly Rate at 1.4%			\$54.83
<i>Collections</i>	\$	1,700,000		Impact Fee (per ERU):			\$8,065
<i>Lift station</i>	\$	1,500,000		Current Monthly Fee (per ERU)			\$53.00
<i>Headworks</i>	\$	1,300,000		Debt Service			\$0
<i>Lagoon Treatment</i>	\$	1,000,000		Annual O&M expense			\$109,000
<i>Construction subtotal</i>		\$	5,500,000				
Contingency		\$	463,000				
Total Project Cost:		\$	6,436,000				
Project Funding				Funding Conditions			
Local Sewer Fund		\$	1,500,000	Loan Repayment Term:			30
Requested Funding		\$	2,401,000	Reserve Funding Period:			6
USDA-RD Existing Grant		\$	483,000				
USDA-RD Existing Loan		\$	2,052,000				
Total Project Cost:		\$	6,436,000				
ESTIMATED COST OF SEWER SERVICE				USDA-RD Funding Conditions			
				USDA-RD Loan Repayment Term			40
				USDA-RD Interest Rate			1.875%

Principal Forgiveness	WQB Grant Percent	WQB Loan	RD Loan	WQB Loan Interest Rate	RD Loan Interest Rate	WQB Loan Debt Service	WQB Loan Reserve	RD Loan Debt Service	Annual Sewer	Total Annual Sewer Cost	Monthly Sewer Cost/ ERU	Sewer Cost as % of MAGI	Financial Burden
-	0%	2,401,000	2,052,000	0.00%	1.875%	80,033	20,008	91,722	109,000	220,114	61.14	1.56%	Medium
1,000,000	42%	1,401,000	2,052,000	0.00%	1.875%	46,700	11,675	91,722	109,000	259,097	71.97	1.84%	low
1,400,000	58%	1,001,000	2,052,000	0.00%	1.875%	33,367	8,342	91,722	109,000	242,430	67.34	1.72%	low
1,850,000	77%	551,000	2,052,000	0.00%	1.875%	18,367	4,592	91,722	109,000	223,680	62.13	1.59%	low
2,000,000	83%	401,000	2,052,000	0.00%	1.875%	13,367	3,342	91,722	109,000	217,430	60.40	1.54%	low
2,350,000	98%	51,000	2,052,000	0.00%	1.875%	1,700	425	91,722	109,000	202,847	56.35	1.44%	low
2,401,000	100%	0	2,052,000	0.00%	1.875%	0	0	91,722	109,000	200,722	55.76	1.42%	low

FNI Calculation							Financial Burden Matrix					
	Local Value	State Value	Score	Weighting Factor	Weighting Score	Table **	Modified MAGI					
							FNI	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Unemployment Rate	0.5%	3.6%	1.00	4	4.00	S2301	Below 1.5	Low	Low	Medium	Medium	High
Poverty Rate	3.2%	8.8%	1.00	2.5	2.50	S1701	1.5 to 2.5	Low	Medium	Medium	High	High
Threshold LQI	\$42,063	\$37,685	1.00	2.5	2.50	B19080	Above 2.5	Medium	High	High	High	High
Population Growth Rate	13.6%	19.0%	2.43	1	2.43	B01003						
Financial Need Indicator (Sum of weighted Scores/10)					1.14							

2020 5 year ACS Table

** <https://data.census.gov/cedsci/>

Attachment 1 – Alternative 3 Lagoon Upgrades

ATTACHEMENT 2

Lewiston City - Water Quality Board

30 Year Loan Static Cost Model - Connect to Richmond MBR Treatment Plant

Project Costs													Current Customer Base & User Charges		
Legal - Right of Way				\$	60,000								Initial Total Customer (ERU's)	300	
Legal/Bonding -				\$	59,000								MAGI for Lewiston City (2021):	\$47,000	
DWQ Loan Origination Fee				\$	60,000								Affordable Monthly Rate at 1.4%	\$54.83	
Engineering - Design				\$	355,000								Impact Fee (per ERU):	\$8,065	
Engineering - CMS				\$	325,000								Current Monthly Fee (per ERU)	\$53.00	
Engineering - Planning				\$	30,000								Existing Debt	\$0	
<i>Capacity Purchase to Richmond</i>				\$	2,280,000								Annual O&M Collection	\$109,000	
Environmental				\$	59,000								Richmond Impact fee 4" (2023)	\$7,952	
Legal Services				\$	119,000								Annual O&M for Richmond's Treatment	\$169,200	
<i>Construction - Pump Station</i>			\$1,700,000										Monthly Treatment to Richmond	\$47	
<i>Construction - Collection Sewer</i>			\$1,500,000												
Construction - Mobilization/Demobilization			\$	500,000											
Construction - 8" PVC Force Main			\$1,500,000												
Construction - Decommission :Lagoon			\$	800,000											
			<i>Construction subtotal</i>	\$	6,000,000										
Contingency (21%)				\$	1,200,000										
Total Project Cost:				\$	10,547,000										
Project Funding													Funding Conditions		
Requested Funding by WQB				\$	6,512,000								Loan Repayment Term:	30	
Lewiston Sewer Fund				\$	1,500,000								Reserve Funding Period:	10	
USDA-RD Existing Grant				\$	483,000										
USDA-RD Existing Loan				\$	2,052,000										
Total Project Cost:				\$	10,547,000										
ESTIMATED COST OF SEWER SERVICE													USDA-RD Funding Conditions		
													USDA-RD Loan Repayment Term	40	
													USDA-RD Interest Rate	1.875%	
Principal Forgiveness	WQB Grant Percent	WQB Loan	Existing RD Loan	WQB Loan Interest Rate	RD Loan Interest Rate	WQB Loan Debt Service	WQB Loan Reserve	RD Loan Debt Service	Annual O&M - collection & Treatment	Total Annual Sewer Cost	Monthly Sewer Cost/ ERU	Sewer Cost as % of MAGI	Financial Burden		
1,200,000	18%	5,312,000	2,052,000	0.00%	1.875%	177,067	26,560	91,722	278,200	573,549	159.32	4.07%	HIGH		
1,500,000	23%	5,012,000	2,052,000	0.00%	1.875%	167,067	25,060	91,722	278,200	562,049	156.12	3.99%	HIGH		
2,000,000	31%	4,512,000	2,052,000	0.00%	1.875%	150,400	22,560	91,722	278,200	542,882	150.80	3.85%	HIGH		
2,177,500	33%	4,334,500	2,052,000	0.00%	1.875%	144,483	21,673	91,722	278,200	536,078	148.91	3.80%	HIGH		
3,000,000	46%	3,512,000	2,052,000	0.00%	1.875%	117,067	17,560	91,722	278,200	504,549	140.15	3.58%	HIGH		
3,800,000	58%	2,712,000	2,052,000	0.00%	1.875%	90,400	13,560	91,722	278,200	473,882	131.63	3.36%	HIGH		
FNI Calculation - Lewiston City													Financial Burden Matrix		
		Local Value	State Value	Score	Weighting Factor	Weighting Score							Modified MAGI		
Unemployment Rate		0.5%	3.6%	1.00	4	4.00	S2301	FNI	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45		
Poverty Rate		3.2%	8.8%	1.00	2.5	2.50	S1701	Below 1.5	Low	low	Medium	Medium	High		
Threshold LQI		\$42,063	\$37,685	1.00	2.5	2.50	B19080	1.5 to 2.5	Medium	Medium	Medium	High	High		
Population Growth Rate		13.6%	19.0%	2.43	1	2.43	B01003	Above 2.5	Medium	Medium	High	High	High		
Financial Need Indicator (Sum of weighted Scores/10)						1.14									
2020 5 year ACS Table						** https://data.census.gov/cedsci/									

Attachment 2 – Alternative 4 Connection to Richmond MBR Treatment Plant



State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of
Environmental Quality

Kimberly D. Shelley
Executive Director

DIVISION OF WATER QUALITY
John K. Mackey, P.E.
Director

Water Quality Board
James Webb, Chair
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Carly Castle
Michela Harris
Joseph Havasi
Trevor Heaton
Robert Fehr
Jill Jones
Kimberly D. Shelley
John K. Mackey
Executive Secretary

MEMORANDUM

TO: Utah Water Quality Board

THROUGH: John Mackey, P.E., Director

FROM: Jake VanderLaan, Standards Coordinator

DATE: August 23, 2023

SUBJECT: Informational Item: Introduction to the 2023 Triennial Review

In accordance with [R317-2-1C](#) and Section 303(c) of the Clean Water Act, Utah is required to review the Standards of Quality for Waters of the State, [R317-2](#), at least once every three years, under a process called a Triennial Review. DWQ staff are currently initiating the 2023 Triennial Review. More information regarding the Triennial Review process and results from previous reviews are [available on DWQ's Triennial Review webpage](#).

Staff will solicit comments from the public, regulated community, and EPA regarding what standards revisions or additions Utah should consider. Staff will document and prepare responses for all comments received, review comments with the Water Quality Standards Workgroup, and present the findings to the Board. The potential revisions will be prioritized based on environmental benefit, administrative benefit, technical complexity, available resources, federal mandates, and perceived need for change in standards, guidance, rule, or process. Revisions to water quality standards can only be adopted by the Water Quality Board and must be approved by EPA.