



WATER QUALITY

2017 SRF Annual Report

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STATE OF UTAH WATER QUALITY STATE REVOLVING FUND

ANNUAL REPORT & FINANCIAL STATEMENTS

EXECUTIVE SUMMARY

The Utah Water Quality Board (the Board) administers financial assistance programs through the Division of Water Quality including the Clean Water State Revolving Fund, the Utah Wastewater Loan Fund, and the Hardship Grant Funds. The Board is comprised of nine members who are appointed by the Governor. The Board's primary responsibilities in administering financial assistance funds include developing administrative rules for program implementation, authorizing loan, hardship grant and principal forgiveness amounts, and determining interest rates and loan terms.

The Division of Water Quality (DWQ) serves as staff for the Board and manages the day-to-day operations of the financial assistance programs. Those responsibilities include administering loans, providing construction assistance, and managing fund transactions. DWQ coordinates their efforts with the Department of Environmental Quality - Office of Support Services, the Utah Division of Finance, the Utah Attorney General's Office, and the State Treasurer's Office in order to meet all federal and state requirements. DEQ's Mission, Vision, and Values are our guiding principles.

Both direct and indirect costs are incurred by DWQ for the administration of the financial assistance programs. Those costs are funded with revenues from Clean Water State Revolving Fund (SRF) administrative dollars and loan origination fees. DWQ employees charge time for eligible administrative work on the SRF program. Those employees are covered by the State of Utah personnel benefits plan. Indirect costs for general state expenses are also charged through a cost allocation plan.

PROGRAM HISTORY

Utah's Clean Water SRF was established pursuant to Title VI of the Federal Clean Water Act of 1987. The SRF provides low interest rate loans for the funding of water quality and wastewater infrastructure projects in Utah. The State of Utah – Department of Environmental Quality receives Capitalization Grants from the Environmental Protection Agency (EPA) and provides 20% in state matching funds for awarded grants. The SRF receives revenue from principal loan repayments, interest payments, and interest earned on the investment fund. Expenses for projects under construction are then disbursed from the SRF.

DWQ also operates a state loan program, which provides an alternative source of funding for certain water quality projects. The state loan program provides additional flexibility for project development without some of the funding conditions or restrictions that accompany the SRF funds. State matching funds for the SRF are generated from this state loan program.

With approval from the EPA, the State of Utah established a Federal Hardship Grant Program in 1993. This grant program is funded through hardship assessment fees charged in lieu of interest on SRF loans. The hardship grant assessment fees are deposited into a Federal Hardship Grant Fund, which is separate from the SRF. These monies are used to provide grants to communities with a demonstrated economic hardship and that are otherwise unable to implement clean water projects through the loan programs.

WATER QUALITY MISSION, VISION and VALUES

MISSION:

Safeguarding and improving Utah's water through balanced regulation

Vision:

Clean water for a healthy and prosperous Utah

Values:

Exceptional Service

We are public servants committed to the people of Utah and our customers. We solve problems, actively engage stakeholders, and are professional, responsive and fair.

Commitment to Employees

We value our dedicated employees as our greatest asset. We treat each other with respect, foster professional development, and celebrate our individual and collective contributions.

Credibility and Trust

We earn the public's trust by showing we care, demonstrating expertise in our work, and basing our decisions on science and the law. We act with integrity and make accurate and reliable information accessible to the public.

Continuous Improvement

We are accountable for taxpayer dollars. We improve our performance and implement innovations that advance quality, efficiency and effectiveness. Below are what our staff and customers have to say about "Our Mission, Vision, and Values".

What does our staff have to say about our Mission, Vision, and Values?

Skyler Davies, P.E., CWSRF Staff on Water Quality's Mission:

“Our SRF program provides a vital service to POTWs in obtaining reasonable funding for projects that they might not otherwise be able to afford. These projects are critical in protecting Utah's water quality.



Cheryl Parker, P.E., CWSRF Staff on Water Quality's Vision: “The Engineering Section works to offer affordable loans for wastewater improvement projects to maintain the wastewater infrastructure to meet Utah's needs at reasonable user costs. Maintaining the State's wastewater infrastructure is critical to DEQ's visions of maintaining clean water for a healthy and prosperous Utah.”

What do our customers have to say about our service?



“I worked for the State for 11 years at the Division of Emergency Management and really felt like I understood what it was to support local governments. DEQ Staff is absolutely amazing. It's been really good to work with them.” Ty Bailey, Morgan City Manager, UP Project \$3M Phase I, WWTP Improvements.

“I complement the staff that you have as they work very well with us. We do appreciate their efforts. Mayor Brent K. Marshall, Grantsville City, UT Project: \$5M Sewer Collection System loan.



PROGRAM GOALS

Projects in the state that protect and enhance water quality are considered for financial assistance. Eligible projects include construction of publicly owned treatment works (POTWs), nonpoint source projects, storm water projects, energy and water efficiency initiatives, construction of publicly or privately owned decentralized systems, and technical assistance in support of these projects.

Long-Term Program Goals

1. Provide a permanent funding source for water quality construction projects that supplement a community's own resources and/or other funding sources.
 - All projects receiving loans through the SRF are required to make an annual repayment of principal beginning one year after project construction is complete. Cash flow projections indicate that the fund will continue to generate a revenue stream for future projects.
2. Distribute SRF funds to projects with the highest water quality and infrastructure needs by evaluating and prioritizing proposed projects throughout the state.
 - All construction projects presented to the Water Quality Board for funding receive a ranking on the Project Priority List. The Board balances project water quality impacts and financial need when determining authorization for funding.
3. Support EPA's Sustainability Policy by balancing a community's economic and water quality needs with the perpetuity of the SRF program.
 - All projects receiving funding through the SRF are evaluated for their ability to solve critical public health and water quality needs while recognizing community economic conditions. Projects are funded in a manner that will be protective of the environment, affordable to the community, and consistent with EPA's Sustainability Policy.
 - DWQ conducts financial feasibility reviews of all proposed projects that are based on engineering studies and facility plans conducted by SRF applicants prior to requesting Water Quality Board authorization of funding. The review includes an analysis of the value and priority of each project, the construction loan amount, and interest rate that should be applied. The result of these reviews ensures that all funded projects will use loan funds effectively and that the applicants can reasonably afford to repay their loans while properly maintaining the constructed system and meeting water quality objectives.
 - The Hardship Grant Program was created specifically to provide supplemental funding for important water quality projects where the applicants are not able to secure sufficient loan funds due to financial hardship or other constraints.
4. Assist communities with all phases of a project, including sufficient planning, project design, environmental work, and construction.
 - The Water Quality Board assists communities to address the need for adequate wastewater infrastructure. In so doing, the Board recognizes that wastewater facilities must meet community and water quality needs throughout the design life and that the facilities must be flexible to accommodate growth and changing requirements within that period. Therefore, the

Board supports and requires strong community planning efforts to establish financial sustainability, coordinated growth, and cost-effective development and provision of wastewater services.

Short-Term Program Goals

1. Present eligible projects to the Water Quality Board for authorization by increasing the profile of the SRF program as a potential funding source and by assisting communities through the application and award process.
 - Engineering Section staff works closely with communities to ensure facility planning satisfies water quality needs and program requirements. Staff supports applicants during application preparation to simplify the process, reduce paperwork, and minimize delays.
2. Collaborate with other agencies (i.e. Utah Permanent Community Impact Board, U.S. Department of Agriculture Rural Development, and U.S. Army Corps of Engineers) to sufficiently fund projects.
 - Engineering Section staff assists each community from the beginning stages of application, planning, and design. Staff coordinates funding partnerships, particularly for large projects, with other public and private funding entities.
3. Solicit and fund eligible nonpoint source and storm water projects
 - Engineering Section, Watershed Management Section, and Storm Water Section staffs work together with communities and land owners to identify and develop important water quality projects that are eligible for SRF funding.
4. Provide funding, equal to at least ten percent (10%) of the capitalization award, for recycled water and water reuse projects.
 - Engineering Section and UPDES Permitting Section staff work with community's water and wastewater utilities to identify and develop water conservation, land treatment/disposal, and reuse opportunities that protect state waters and/or provide an alternative source for secondary water.



South Davis Sewer District tertiary algae-based treatment system Pilot Plant

PROGRAM ACCOMPLISHMENTS

During FY17, the Water Quality Board authorized construction assistance for five new projects and closed loans for two project. These projects are described below. In addition, the Water Quality Board authorized \$255,000 in hardship planning grants or advances to five communities, \$1,707,000 in hardship design advances to two communities, and \$2,000,000 in hardship planning grants for non-point source projects.

Clean Water State Revolving Fund and Utah Wastewater Loan Fund loans are not fully obligated until bonds are purchased by the Water Quality Board, i.e., the loan is closed. Funds for construction are not available to communities until loan closing occurs.

AUTHORIZED FUNDING:

South Davis Sewer District

The South Davis Sewer District (SDSD) received authorization from the Water Quality Board (WQB) for a construction assistance loan to construct an innovative algae-based treatment system for ammonia and nutrient control. The assistance package includes \$2,500,000 in funding for nonpoint source projects. The system will allow SDSD to meet current and future nutrient discharge regulations. The algae system will integrate with SDSD's existing trickling filter plant and its planned waste to energy facilities that are being funded separately under a public-private-partnership. The algae treatment system will produce high quality effluent that can be reused in the service area. The algae product will be sold, offsetting facility operating costs. This project is expected to be 100 percent Green Project Reserve eligible.

Project Cost: \$31,751,000

WQB Assistance Amount: \$28,851,000

Loan Interest Rate: 0.55 % annual

Loan Term: 20 years

Non-Point Source Project Cost: \$2,500,000

San Juan Spanish Valley Special Sewer District

The San Juan Spanish Valley Special Sewer District (SDSD) received authorization from the Water Quality Board for a construction assistance loan to construct a new sewerage system that will connect this growing area with the regional wastewater treatment plant in Moab, Utah. This project will enable the district to protect its important ground water resources from septic tank discharges while accommodating regional community growth.

Project Cost: \$5,015,000

WQB Assistance Amount: \$2,515,000

Loan Interest Rate: 0.0 % annual

Loan Term: 30 years

Blanding City

Blanding City received authorization from the Water Quality Board for a construction assistance loan to construct a new east sewer trunk line on Brown Canyon Road. The wastewater collected by the new east sewer trunk line will then be conveyed to the City's lagoon treatment system. The proposed trunk line will eliminate a major bottleneck in the sewer system that had caused sewage to back up into homes. The new alignment will also allow the City to eliminate two old pump stations.

Project Cost: \$2,757,000

WQB Assistance Amount: \$2,557,000

Loan Interest Rate: 1.0 % annual

Loan Term: 30 years

Roosevelt City

Roosevelt City received authorization from the Water Quality Board for a construction assistance loan to construct a collection system for the Stonegate subdivision in the Hancock Cove area, and to construct an interceptor connecting Hancock Cove with Roosevelt City's lagoon treatment system. This project will address failing septic systems that were a public health hazard. This project will provide a permanent solution to the water quality and human health concerns caused by the failing septic systems.

Project Cost: \$5,000,000

WQB Assistance Amount: \$2,576,000

Loan Interest Rate: 0.0 % annual

Loan Term: 30 years

Eagle Mountain – White Hills

Eagle Mountain received authorization from the WQB for a construction assistance loan to upgrade the White Hills subdivision collection system and connect the newly annexed area to the city's regional wastewater treatment plant. This project will decommission the old wastewater treatment lagoons that were previously used by the White Hills subdivision. The Water Quality Board recognized the City's effort to improve water quality in the area by annexing the White Hills subdivision and awarded the City a low interest rate loan.

Project Cost: \$1,793,000

WQB Assistance Amount: \$1,283,000

Loan Interest Rate: 1.0 % annual

Loan Term: 30 years

Summit County

Summit County received a loan for construction of a new sewer line. This new sewer line will connect the Silver Creek Subdivision with the Snyderville Water Reclamation District and will eliminate septic tank discharges in the headwaters of East Canyon Creek, which is impaired due to nutrient pollution. Construction was completed in September 2017.

Project Cost: \$1,330,000

WQB Assistance Amount: \$841,000

Loan Interest Rate: 0.0 % annual

Loan Term: 20 years

PROJECT CLOSINGS:

Moab City

Moab City closed a low-interest loan for construction of a new regional wastewater treatment plant. This assistance supports modernization and replacement of treatment infrastructure that is 50 to 60 years old and has been challenged in recent years to comply with water-quality requirements. The original facilities were constructed in response to the uranium boom, but as the community grew, wastewater treatment needs changed. The proposed facilities will accommodate projected growth in the city and surrounding county. Additionally, the new facility will be capable of managing hauled wastes from surrounding state and national parks, remote facilities, and homes across the southeastern part of the state. This aspect of the project supports cost-effective operation of onsite wastewater disposal systems. Affordable septic tank maintenance benefits the state broadly as it contributes to control of nonpoint-source water pollution.

Project Cost: \$16,400,000

WQB Assistance Amount: \$14,200,000

Loan Interest Rate: 1.15 % annual

Loan Term: 20 years

Duchesne City

DWQ closed a low interest loan to upgrade and rehabilitate Duchesne City's four-cell lagoon system with improved treatment and waste management capabilities. The Water Quality Board recognized the community's current economic situation and hardship caused by high unemployment.

Project Cost: \$3,170,000

WQB Assistance Amount: \$3,100,000

Loan Interest Rate: 0.25 % annual

Loan Term: 30 years

OPERATING AGREEMENT CONDITIONS

The State of Utah has twenty-four conditions in the SRF Operating Agreement with the EPA that set forth program, management, and financial policies and procedures to be implemented. The first twelve conditions have been met and no status update is required. These include: Agreement to Accept Payments, State Laws and Procedures, State Accounting and Auditing Procedures, Recipient Accounting and Auditing Procedures, Use of the Automated Standard Application for Payments (ASAP), Repayments, Annual Audit, Annual Report, Annual Review, Anti-lobbying, Drug Free Workplace, Rural Area Business Enterprise Development Plan.

The remaining twelve conditions in the Operating Agreement have also been met, but require an annual update. These are described below:

1. Provide State Match - State match funds are derived from sales tax dollars that are deposited into the Utah Wastewater Loan Fund. As prescribed in the Intended Use Plan, the Division of Water Quality uses the total amount of state match required toward eligible project costs before making draws from the EPA Capitalization Grant award.

2. Repayment Begins within One Year of Construction End – Principal and interest repayments of loans made through the SRF begin within one year of construction completion. This time allows revenue accumulation for one annual loan repayment.
3. Extended Term Financing – Utah ensures that the long-term revolving nature of the fund is protected. Based on Clean Water NIMS data, the three-year rolling average of annual loan commitments for 2015, 2016, and 2017 is \$31,799,333, which is greater than the established baseline of \$10,770,155.
4. Expeditious and Timely Expenditure - Utah has disbursed all cash draws in a timely and expeditious manner. Construction has begun on all SRF projects within a short period after loans are closed. For details on federal cash draw details, please see Table 2 on page 28.
5. First Use for Enforceable Requirements - Prior to receiving the Capitalization Grant, Utah had met the requirements of Section 1382(b) (5) of the Clean Water Act. This section requires that all Capitalization Grant funds be used in a manner that assures maintenance of progress toward compliance with enforceable deadlines, goals, and requirements of the Clean Water Act.
6. Eligible Activities of the Fund - All projects that have received SRF loans have expended loan proceeds for eligible costs.
7. Compliance with Title II Requirements - In accordance with Section 1382 (b) (6) of the Clean Water Act, the SRF is required to meet sixteen specific Title II “equivalency” requirements for wastewater treatment projects under Section 212 which have been constructed, in whole or part, before October 1, 1994, with funds “directly made available by the Capitalization Grant.” The State has met equivalency requirements up to October 1, 1994 and documented that compliance in previous annual reports. Since there was no requirement under this statute beyond the October 1, 1994 date, there has been no additional reporting for equivalency in this report.
8. DBE Requirements - The State negotiated fair share utilization goals with Region VIII for participation on activities financed by the SRF. During the state fiscal year, the SRF program has met or exceeded the minimum Disadvantaged Business Enterprise (DBE) utilization program requirements. Construction projects have either implemented fair share utilization goals for DBE participation or have demonstrated that a good faith effort was made to provide opportunity for qualified DBE involvement.
9. Other Federal Authorities - The State and all recipients of SRF funds, which were made available directly by the Capitalization Grant, have complied with applicable federal authorities. Recipients of SRF assistance agreed to this as a condition of the bond agreement between the loan recipient and the State.
10. State Environmental Review Process - During the fiscal year, the State was actively involved in assisting potential SRF projects with planning. Environmental impacts are being carefully considered with each plan. No loans are closed with a community until a Categorical Exclusion, Finding of No Significant Impact, or Environmental Impact Statement is issued.
11. Cash Draw Procedures - Table 2 of this report includes the amount of funds drawn from the EPA Capitalization Grants and from the state match for loan projects and administration during the fiscal year.
12. Outlay Projections - The FY17 Intended Use Plan (IUP) projected draws for loans from the EPA Capitalization Grants equal \$9,918,000. During SFY 2017 a total of \$2,861,865 was actually drawn.

ADDITIONAL SUBSIDIZATION

The 2014, 2015, and 2016 Clean Water SRF capitalization grant awards contain programmatic requirements for State to provide additional subsidy to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants. Utah's program provides additional subsidy in the form of principal forgiveness. The table below outlines the additional subsidization requirement by award year and summarizes progress in meeting the requirement. The program will continue to provide information regarding additional subsidization projects in subsequent Intended Use Plans and Annual Reports. (Utah's 2017 award was received after June 30, 2017; therefore, reporting has not been included in the FY17 Annual Report.)

Additional Subsidization Requirements					
Award Year	Minimum Amount	Maximum Amount	Status	Project	Principal Forgiveness
2014	\$400,623	\$600,934	In progress	Francis City	\$600,934
2015	\$0	\$2,197,200	In progress	Duchesne City, Roosevelt City	\$1,849,000
2016	\$701,100	\$2,103,300	In progress		

GREEN PROJECT RESERVE

To the extent that there are sufficient eligible projects, not less than 10% of the funds made available through the 2014, 2015, and 2016 Clean Water SRF capitalization grants shall be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. The table below outlines the minimum amounts to be used toward the green project reserve requirement and projects funded to meet the requirement. Utah has met the requirement for the 2014 award. Potential projects for the 2015 and 2016 requirements are identified in Intended Use Plans and will be reported once funds are expended by projects during the construction phase.

Green Project Reserve Requirements			
Award Year	Amount	Project	Credit
2014	\$736,200	Francis Town	\$2,000,000
2015	\$732,400	Moab City, Duchesne City	\$904,000
2016	\$701,100		

A/E PROCUREMENT

Beginning with capitalization grants awarded after October 1, 2014, architectural and engineering (A/E) contracts for projects using funds directly made available by a capitalization grant must comply with the elements of procurement processes for A/E services as identified in 40 U.S.C. 1101 or an equivalent State qualifications-based requirement. To date, projects funded directly from Utah capitalization grant awards have used other funding sources for A/E services.

CURRENT PROGRAM STATUS

Since its inception, the State Revolving Fund has been steadily increasing and has grown into a permanent source of financial assistance for the construction of water quality projects throughout the State of Utah. Each year, there are water quality projects in Utah that do not receive funding directly from the SRF. Utah encourages community self-reliance through prudent planning and cooperative efforts to utilize other sources of available financial assistance.

Many of the larger wastewater treatment facilities located in high population areas of the State are able to afford construction financing without utilization of the State Revolving Fund. Medium-sized communities rely heavily on the SRF to provide additional assistance, making wastewater treatment affordable to their citizens. To achieve efficient and affordable public health and water quality solutions, communities with small populations use the USDA Rural Development and Utah Wastewater Project Assistance Program financing for loans and grants for their wastewater projects. The Utah Community Impact Board funding is used by communities located within impacted (mineral extracting) counties.

DWQ continues to work with communities to provide construction assistance and to improve water quality for the State of Utah. Key program results are illustrated in Figure 1.



Bear Lake

**UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY - STATE REVOLVING FUND
UNAUDITED STATEMENT OF NET ASSETS
June 30, 2017**

ASSETS**CURRENT ASSETS**

Cash & Cash Equivalents	\$ 117,664,224
Receivables:	
Amount due from EPA	55,250
Amount due from State	-
Loan interest	636,364
Hardship assessments	441,498
Loans Receivable	<u>11,021,835</u>
Total current assets	129,819,171

NONCURRENT ASSETS

Loans receivable	<u>139,677,347</u>
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TOTAL ASSETS

269,496,518

LIABILITIES AND NET ASSETS**LIABILITIES****CURRENT LIABILITIES**

Deposits	-
Due to State	71,212
Due to Other Funds	-
Accounts Payable	<u>45,308</u>

TOTAL LIABILITIES

116,520

NET ASSETS

Unrestricted	<u>269,379,998</u>
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TOTAL NET ASSETS

\$ 269,379,998

The accompanying notes are an integral part of the financial statements.

**UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY - STATE REVOLVING FUND
UNAUDITED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
June 30, 2017**

	Total
OPERATING REVENUES	
Loan interest	\$ 599,976
Hardship assessments	1,445,933
Late Fees	5
EPA Program Administration Fees	404,235
Loan Origination Fees	169,000
Total Operating Revenues	2,619,149
OPERATING EXPENSES	
Hardship grants	2,734,681
Principal Forgiveness	244,019
EPA Program Administration	404,236
Total Operating Expenses	3,382,936
OPERATING INCOME (LOSS)	(763,787)
NONOPERATING REVENUES (EXPENSES)	
Investment income	1,310,091
EPA capitalization grants - Loans	2,617,846
EPA capitalization grants - Principal Forgiveness	244,019
State match	1,465,154
Transfers in	-
Transfers out	(92,000)
Total nonoperating revenues(expenses)	5,545,110
CHANGE IN NET ASSETS	4,781,323
NET ASSETS, BEGINNING OF YEAR	264,625,675
NET ASSETS, END OF YEAR	\$ 269,406,998

The accompanying notes are an integral part of the financial statements.

**UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY - STATE REVOLVING FUND
UNAUDITED STATEMENT OF CASH FLOWS
June 30, 2017**

	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from loan interest and penalties	\$ 676,701
Cash received from hardship assessments	1,517,550
Loan origination fees received	142,000
Loans disbursed	(4,083,000)
Hardship grants disbursed	(3,892,959)
Principal received on loans receivable	\$14,400,353
Principal forgiveness disbursed	(244,019)
Grant awards	393,954
Program administration	(883,015)
Charges for services	-
Project administration	446,520
Net cash (required) by operating activities	<u>8,474,085</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Funds received from EPA capitalization grants - Loans	2,617,846
Funds received from EPA capitalization grants - Principal Forgiveness	244,019
Transfers in	-
Transfers out	(92,000)
Funds received from State of Utah	1,465,154
Net cash provided by noncapital financing activities	<u>4,235,019</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net investment income received	<u>1,310,091</u>
Net cash provided by investing activities	<u>1,310,091</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS AND CASH EQUIVALENTS, BEGINNING OF YEAR	14,019,195 <u>103,645,029</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 117,664,224
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (763,787)
Changes in assets and liabilities related to operations:	
(Increase)/Decrease in loan interest receivable	76,725
(Increase)/Decrease in hardship assessments receivable	71,611
(Increase)/Decrease in amount due from EPA	(55,250)
(Decrease)/Increase in amount due from State	-
(Decrease)/Increase accounts payable	(26,368)
(Decrease)/Increase in amount deposits	-
(Decrease)/Increase in amount due to State	(32,287)
(Decrease)/Increase in amount due to Other Funds	-
(Increase)/Decrease accounts receivable	17,969
(Increase)/Decrease loans receivable	9,185,472
Net cash (required) by operating activities	<u>\$ 8,474,085</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO CLEAN WATER SRF FINANCIAL STATEMENTS

NOTE 1 – DEFINITION OF REPORTING ENTITY

The Utah Department of Environmental Quality, Division of Water Quality - State Revolving Fund (SRF or Fund) program was established pursuant to federal action in order to provide low interest rate loans to public wastewater systems for preservation and protection projects that meet eligibility requirements. The United States Environmental Protection Agency (EPA) allows for reasonable costs of administering the program to be funded by the SRF Capitalization Grant. The maximum annual amount may be the greatest of the following:

- An amount equal to 4 percent of all grant award received by a State CWSRF less any amounts that have been used in previous years to cover administrative expenses;
- \$400,000; or
- 1/5 percent of the current valuation of the fund

The Division of Water Quality currently uses \$400,000 for annual administrative costs incurred by the program. Funding from the administrative portion of the capitalization grant and from the collection of loan origination fees allows for the supervision of the SRF program as well as for oversight of individual projects.

The Water Quality Board (the Board) is comprised of nine members appointed by the Governor. The Board develops policies and procedures for program implementation and authorizes loans under the SRF program. The Utah Department of Environmental Quality (DEQ) and the Board jointly manage the SRF program. DEQ - Division of Water Quality reviews loan applications for eligibility, prioritizes eligible projects, monitors loan disbursements and repayments, and conducts project inspections. Through the Utah Code, the legislature has given the Board rule making authority that meets federal law requirements. The Board reviews each loan applicant to determine its ability to repay the loan, its readiness to proceed with the project, and its ability to complete the project.

The SRF program receives assistance and support from the Department of Environmental Quality - Office of Support Services, the Department of Administrative Services - Division of Finance, the Utah Attorney General's Office, and the State Treasurer's Office. Salaries and benefits of employees as well as indirect costs based on direct salary costs are accumulated in the state's general fund and charged to the SRF based on actual time spent on SRF activities. Employees who charge time to the SRF are covered by the State of Utah personnel benefits plan.

The SRF program is funded by a series of capitalization grant awards from EPA. Grant conditions require States to provide twenty percent (20%) matching funds to the federal Capitalization Grant.

The Fund follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The SRF program and activities are included in the Utah Comprehensive Annual Financial Report (CAFR) as part of the Proprietary Funds (Water Loan Programs). The SRF assets, liabilities, and net assets are combined with other state programs and are not separately identifiable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Fund conform to generally accepted accounting principles as applicable to a governmental unit accounted for as a proprietary enterprise fund. The enterprise fund is used since the Fund's powers are related to those operated in a manner similar to a for profit business where an increase in net assets is an appropriate determination of accountability.

Basis of Accounting

The SRF financial statements are presented as an enterprise fund. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. All assets and liabilities associated with the operation of the SRF are included in the statement of net assets. The SRF has elected to follow the accounting pronouncements of the Governmental Accounting Standards Board (GASB), as well as statements issued by the Financial Accounting Standards Board (FASB) on or before November 30, 1989, unless the pronouncements conflict with or contradict GASB pronouncements.

Cash and Cash Equivalents

In accordance with the Money Management Act, Section 51-7 of the Utah Code, the State Treasurer administers cash and manages investments in the State. The Money Management Act specifies the investments that may be made, which are only high-grade securities. Investments include variable rate corporate notes and obligations of U.S. government agencies that base their rates on standard quoted money market indexes that have a direct correlation to the federal funds rate. Therefore, there is very little market risk because the investments follow the normal swings of interest rates. Cash equivalents are generally considered short-term highly liquid investments with maturity of three months or less from the purchase date.

All funds deposited with the Treasurer are considered to be cash or cash equivalents regardless of the actual maturities of the underlying investments in the statement of cash flows. Investments in debt and equity securities are reported at fair value in the statement of net assets, and all investment income, including changes in the fair value, are reported in the statement of revenue, expenses, and changes in fund net assets.

Operating Revenues and Expenses

The SRF distinguishes between operating revenues and expenses and non-operating items in the statements of revenues, expenses and changes in net assets. Operating revenues and expenses generally result from carrying out the purpose of the SRF, which is to provide low interest loans to communities and provide assistance for prevention programs and administration. Operating revenues consist of loan and interest payments from borrowers. Operating expenses include direct salary costs and benefits, indirect costs and allowance for bad debt. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions.

The EPA capitalization grant and the associated State match are recorded as capital contributions, except for principal forgiveness which is reported as non-operating revenue, and the administrative match which is reflected as operating revenue.

When both restricted and unrestricted resources are available for use, it is the Fund's policy to follow the State of Utah's policy as defined in the State of Utah Comprehensive Annual Financial Report.

Hardship Assessments

The Board has the option to charge a hardship assessment in lieu of interest on loans made from the repayment stream, also known as 2nd Round funds. Hardship assessments are calculated and paid in the same manner as interest. The restriction for the use of hardship assessments differs from the restriction for the use of interest. Hardship assessments can be used for purposes other than loans, including grants to disadvantaged communities.

Loan Origination Fee

The Water Quality Board may charge a Loan Origination Fee up to 1% of the principal loan amount. This fee may be used for any allowable activities under the Act and administration of the loan program.

Budgets

The SRF, as an enterprise fund of the State, does not require appropriation, and therefore, the SRF is not included in Utah's annual appropriation.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes during the reporting period. Actual results could differ from those estimates.

Loans Receivable

Loans are funded by capitalization grants from the EPA, State matching funds, loan repayments and interest earnings. Interest is calculated from the date that funds are advanced. After the final disbursement has been made, the loan agreement is adjusted for the actual amounts disbursed. Loans are amortized for up to 30 years. Loan repayments must begin within one year of construction completion and are made on an annual basis. For projects receiving principal forgiveness, monies are advanced and forgiven as each disbursement occurs. Loan agreements require repayment of the forgiven loan if all program requirements are not met.

Allowance for Bad Debts

The allowance for bad debts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Loans receivable are charged against the allowance for bad debts when management believes that the uncollectibility of the principal is probable. The allowance for bad debts was \$0 at June 30, 2017.

NOTE 3 – CASH AND INVESTMENTS

All monies of the SRF are deposited with the Utah State Treasurer and are considered cash and cash equivalents. All cash deposited with the State Treasurer is maintained by the Treasurer in various pooled investment funds. The State Treasurer invests the deposited cash, including the cash float, in short term securities and other investments.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF) investment pool. The PTIF is available for investment of funds administered by any Utah public treasurer. Participation is not required and no minimum balance or minimum/maximum transaction is required. State agencies and funds that are authorized to earn interest also invest in the PTIF as an internal investment pool. No separate report as an external investment pool has been issued for the PTIF. Details of the investments of the PTIF can be obtained from the State Treasurer.

The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). The Act establishes the Money Management Council, which oversees the activities of the State Treasurer and the PTIF. The Act lists the investments that are authorized which are high-grade securities which minimizes credit risk except in the most unusual and unforeseen circumstances.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

Income, gains and losses, and net of administration fees of the PTIF are allocated to participants on the ratio of the participants' share of the total funds in the PTIF based on the participant's average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, the investments are valued at fair value. The SRF has adjusted the PTIF funds to fair value as of June 30, 2017.

Investments in PTIF are not categorized because they are not evidenced by securities that exist in physical or book entry form. Cash and cash equivalents are presented below:

Pooled cash held by State Treasurer	\$ 1,275,141
Public Treasurer's Investment Fund	<u>116,389,083</u>
Total cash and cash equivalents	\$117,664,224

NOTE 4 – LOANS RECEIVABLE

Loans are made to qualifying entities for projects that meet eligibility criteria. The SRF loan awards are comprised of the following funding sources: (1) the federal EPA Capitalization Grants; (2) State match funds; (3) loan repayments; (4) interest payments; and (5) SRF interest earnings. Projects are funded through the purchase of incremental disbursement bonds and proceeds are deposited into an escrow account based on a quarterly schedule of anticipated costs. Loan interest begins accruing when funds are deposited in the escrow account. Principal repayment must begin no later than one year after the completion of the project. Effective interest rates and hardship assessments on loans vary between 0.0 and 5.0 percent and are generally repaid over 20-30 years. The interest rates on the loans are generally lower than market rates and, in some cases, are non-interest bearing. Loans mature at various intervals

and recipients make annual payments. Loans mature at various intervals through June 30, 2060 and the scheduled principal repayments on loans follows:

LOANS RECEIVABLE	
Year Ending June 30, 2017	Amount
2018	11,021,835
2019	12,281,459
2020	10,798,738
2021	10,811,017
2022	11,848,347
2023 – 2027	48,544,897
2028 – 2032	33,301,233
2033 – 2039	6,174,000
2040 – 2046	1,079,000
2047 – 2060	177,657
Total	\$150,699,182

Loans to Major Local Agencies

The Fund has made loans to the following major local agencies. The aggregate outstanding loan balances for each of these agencies exceed five percent (5%) of total loans receivable. The combined outstanding loan balances at June 30, 2017 of these major local agencies represent approximately forty-four percent (44%) of the total loans receivable and are as follows:

LOANS TO MAJOR LOCAL AGENCIES		
Borrower	Authorized Loan Amount	Outstanding Loan Balance
South Valley Water Reclamation Facility	\$22,110,000	\$16,498,000
North Davis Sewer District	21,650,000	14,327,000
Hooper City	12,665,000	9,845,000
Orem City	11,889,000	8,919,000
Central Weber Sewer Improvement Dist.	11,055,000	8,245,455
Kearns Improvement District	10,380,000	7,749,216
Total	\$89,749,000	\$65,583,671

NOTE 5 – DUE TO STATE OF UTAH

Due to State of Utah balances are an aggregation of amounts due to employees for salaries and benefits and/or vendors and miscellaneous suppliers paid by the state.

NOTE 6 – CAPITAL CONTRIBUTIONS

The following table summarized the activity of the State's Clean Water Revolving Loan Fund by award year:

CAPITAL CONTRIBUTIONS					
Year	Grant Award	Funds Drawn as of June 30, 2016	Funds Drawn During Year Ended June 20, 2017	Total Funds Drawn as of June 30, 2017	Available Funds as of June 30, 2017
1988 – 2007	\$145,550,094	\$145,550,094	\$ -	\$145,550,094	\$ -
2008	3,521,700	3,521,700	-	\$3,521,700	0
2009	3,521,600	3,521,600	-	\$3,521,600	0
2009 ARRA	20,649,900	20,649,900	-	\$20,649,900	0
2010	10,736,000	10,736,000	-	\$10,736,000	0
2011	7,759,000	7,759,000	-	\$7,759,000	0
2012	7,422,000	7,422,000	-	\$7,422,000	0
2013	7,006,000	7,006,000	-	\$7,006,000	0
2014	7,362,000	5,312,619	1,692,466.00	\$7,005,085	356,915
2015	7,324,000	27,077	1,542,322.00	\$1,569,399	5,754,601
2016	7,011,000		31,313.00	\$31,313	6,979,687
2017	6,956,000		-	\$0	6,956,000
Totals	\$234,819,294	\$211,505,990	\$3,266,101	\$214,772,091	\$20,047,203

The following table summarizes the amount of state contributions made to meet match requirements of the EPA grant:

State match paid as of June 30, 2016	\$39,587,644
State match paid during the year ended June 30, 2017	<u>1,465,154</u>
Total State match paid as of June 30, 2017	\$41,052,798

NOTE 7 – RISK MANAGEMENT

The SRF is included in Utah’s Risk Management Fund, which provides insurance in case of loss or claims against the SRF. The State has elected, with a few exceptions, to be self-insured against loss or liability. There have been no significant reductions in insurance coverage from the prior year. In addition, settled claims have not exceeded insurance coverage in the last three fiscal years. Refer to the State’s Risk Management disclosure in the June 30, 2017 Comprehensive Annual Financial Reports.

NOTE 8 – CONTINGENCIES AND SUBSEQUENT EVENTS

As of June 30, 2017, the total remaining draws for SRF projects with closed loans was \$81,836,000. These draws will be processed during future fiscal years as wastewater project construction continues. As of June 30, 2017, the Board had authorized an additional \$47,533,000 in loan funding for four communities. However, loan closing had not been completed for the projects.

NOTE 9 – NET ASSETS

Governmental Accounting Standards Board Statement No. 34 provides for three components of net assets: invested in capital assets, net of related debt, restricted and unrestricted. As of June 30, 2017, the Fund had no restricted net assets or net assets invested in capital assets, net of related debt. Unrestricted net assets consists of net assets that do not meet the definition of invested in capital assets, net of related debt or restricted. Although the Fund reports unrestricted net assets on the face of the statements of net assets, unrestricted net assets are to be used by the Fund for the payment of obligations incurred by the Fund in carrying out its statutory powers and duties and are to remain in the Fund.



Jordanelle Reservoir

Staff Passion- Can you feel it?

It's CATCHING ON

Cheryl *"I'm excited to be a member of the DWQ Engineering section where we get to work closely with Cities and assist them in understanding their wastewater and collection systems, which are often one of the City's major assets that is relatively unknown to City councils and the public."*

SUPPLEMENTARY INFORMATION:

**UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY - STATE REVOLVING FUND
UNAUDITED COMBINING STATEMENT OF NET ASSETS
June 30, 2017**

	SRF Fund	Loan Origination Fee Fund	Hardship Fund	Total
ASSETS				
CURRENT ASSETS				
Cash & Cash Equivalents	\$ 112,613,957	\$ 1,130,787	\$ 3,919,480	\$ 117,664,224
Receivables:				
Amount due from EPA	55,250	-	-	55,250
Amount due from State	-	-	-	-
Loan interest	636,364	-	-	636,364
Hardship assessments	-	-	441,498	441,498
Loan origination fees	-	27,000	-	27,000
Loans receivable	10,904,394	-	117,441	11,021,835
Total current assets	124,209,965	1,157,787	4,478,419	129,846,171
NONCURRENT ASSETS				
Loans receivable	137,920,892	-	1,756,455	139,677,347
TOTAL ASSETS	262,130,857	1,157,787	6,234,874	269,523,518
LIABILITIES AND NET ASSETS				
LIABILITIES				
CURRENT LIABILITIES				
Deposits	-	-	-	-
Due to State	31,269	-	39,943	71,212
Due to other funds	-	-	-	-
Accounts payable	37	-	45,271	45,308
TOTAL LIABILITIES	31,306	-	85,214	116,520
NET ASSETS				
Unrestricted	262,099,551	1,157,787	6,149,660	269,406,998
TOTAL NET ASSETS	\$ 262,099,551	\$ 1,157,787	\$ 6,149,660	\$ 269,406,998

The accompanying notes are an integral part of the financial statements.

UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY - STATE REVOLVING FUND
UNAUDITED COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
June 30, 2017

	SRF Loan Fund	Loan Origination Fee Fund	Hardship Fund	Total
OPERATING REVENUES				
Loan interest	\$599,976	\$ -	\$ -	\$ 599,976
Hardship assessments	-	-	\$1,445,933	1,445,933
Late fees	-	-	5	5
EPA Program Administration Fees	404,235	-	-	404,235
Loan Origination Fees	-	169,000	-	169,000
Total Operating Revenues	<u>\$1,004,211</u>	<u>169,000</u>	<u>1,445,938</u>	<u>2,619,149</u>
OPERATING EXPENSES				
Hardship grants	-	-	2,734,681	2,734,681
Principal Forgiveness	244,019	-	-	244,019
EPA Program Administration	404,236	-	-	404,236
Total Operating Expenses	<u>648,255</u>	<u>-</u>	<u>2,734,681</u>	<u>3,382,936</u>
OPERATING INCOME (LOSS)	<u>355,956</u>	<u>169,000</u>	<u>(1,288,743)</u>	<u>(763,787)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	1,266,430	-	43,661	1,310,091
EPA capitalization grants - Loans	2,617,846	-	-	2,617,846
EPA capitalization grants - Principal Forgiveness	244,019	-	-	244,019
State match	1,465,154	-	-	1,465,154
Transfers in	-	-	-	-
Transfers out	-	(92,000)	-	(92,000)
Total nonoperating revenues(expenses)	<u>5,593,449</u>	<u>(92,000)</u>	<u>43,661</u>	<u>5,545,110</u>
CHANGE IN NET ASSETS	<u>5,949,405</u>	<u>77,000</u>	<u>(1,245,082)</u>	<u>4,781,323</u>
NET ASSETS, BEGINNING OF YEAR	<u>256,150,146</u>	<u>1,080,787</u>	<u>7,394,742</u>	<u>264,625,675</u>
NET ASSETS, END OF YEAR	<u>\$ 262,099,551</u>	<u>\$ 1,157,787</u>	<u>\$ 6,149,660</u>	<u>\$ 269,406,998</u>

The accompanying notes are an integral part of the financial statements.

**UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY - STATE REVOLVING FUND
UNAUDITED COMBINING STATEMENT OF CASH FLOWS
June 30, 2017**

	SRF Loan Fund	Loan Origination Fee Fund	Hardship Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from loan interest and penalties	676,701	\$ -	\$ -	\$ 676,701
Cash received from hardship assessments	-	-	\$1,517,550	1,517,550
Loan origination fees received	-	\$142,000	-	142,000
Loans disbursed	(\$4,083,000)	-	-	(4,083,000)
Hardship grants disbursed	-	-	(3,892,959)	(3,892,959)
Principal received on loans receivable	\$14,395,502	-	4,851	\$14,400,353
Principal forgiveness disbursed	(244,019)	-	-	(244,019)
Grant awards	393,954	-	-	393,954
Program administration	(883,015)	-	-	(883,015)
Charges for services	-	-	-	-
Project administration	446,520	-	-	446,520
Net cash (required) by operating activities	<u>10,702,643</u>	<u>142,000</u>	<u>(2,370,558)</u>	<u>8,474,085</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Funds received from EPA capitalization grants - Loans	2,617,846	-	-	2,617,846
Funds received from EPA capitalization grants - Principal Forgiveness	244,019	-	-	244,019
Transfers in	-	-	-	-
Transfers out	-	(92,000)	-	(92,000)
Net funds received from State of Utah	1,465,154	-	-	1,465,154
Net cash provided by noncapital financing activities	<u>4,327,019</u>	<u>(92,000)</u>	<u>-</u>	<u>4,235,019</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Net investment income received	1,266,430	-	43,661	1,310,091
Net cash provided by investing activities	<u>1,266,430</u>	<u>-</u>	<u>43,661</u>	<u>1,310,091</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>16,296,092</u>	<u>50,000</u>	<u>(2,326,897)</u>	<u>14,019,195</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 112,613,957</u>	<u>\$ 1,130,787</u>	<u>\$ 3,919,480</u>	<u>\$ 117,664,224</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 355,956	\$ 169,000	\$ (1,288,743)	\$ (763,787)
Changes in assets and liabilities related to operations:				
(Increase)/Decrease in loan interest receivable	76,725	-	-	76,725
(Increase)/Decrease in hardship assessments receivable	-	-	71,611	71,611
(Increase)/Decrease in amount due from EPA	(55,250)	-	-	(55,250)
(Decrease)/Increase in amount due from State	-	-	-	-
(Decrease)/Increase accounts payable	28	-	(26,396)	(26,368)
(Decrease)/Increase in deposits	-	-	-	-
(Decrease)/Increase in amount due to State	(32,287)	-	-	(32,287)
(Decrease)/Increase in amount due to Other Funds	-	-	-	-
(Increase)/Decrease accounts receivable	44,969	(27,000)	-	17,969
(Increase)/Decrease loans receivable	10,312,502	-	(1,127,030)	9,185,472
Net cash (required) by operating activities	<u>\$ 10,702,643</u>	<u>\$ 142,000</u>	<u>\$ (2,370,558)</u>	<u>\$ 8,474,085</u>

The accompanying notes are an integral part of the financial statements.

CWSRF Benefits Reporting

Loan: UT64	<input type="checkbox"/> Entry Complete	Tracking #: 250	Other #:
Borrower: Duchesne City	Loan Execution Date: 05/30/2017	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 0.25%	Original Tracking #:	Linked to Tracking#:
Loan Amount \$: \$2,250,000	Repayment Period: 30	Same Environmental Results:	<input type="checkbox"/>
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 97%	ARRA Funding:	<input type="checkbox"/>
Multiple nonpoint source projects with similar Environmental Results:			<input type="checkbox"/> Total NPS Projects: 0

Project: 1 of 1 **CW Needs Survey Number :** **# of NPS Projects:** 0

Project Description: To upgrade and rehabilitate its lagoon wastewater treatment system.

Facility Name:

Population Served (Current) :

by the Project: 0
by the Facility: 0

Wastewater Volume (Design Flow) :

by the Project: 0.0000mgd **Volume Eliminated/Conserved:** 0.0000mgd
by the Facility: 0.0000mgd

Discharge Information:

- Ocean Outfall
 Estuary/Coastal Bay
 Wetland
 Surface Water
 Groundwater
 Land Application
 Other/Reuse
 Eliminates Discharge
 No Change / No Discharge
 NEP Study
 Seasonal Discharge
NPDES Permit Number: UT0020095 No NPDES Permit
Other Permit Type: **Other Permit Number:**

Affected Waterbodies:

<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Resolving Waterbody</u>
Primary Impacted :			<input type="checkbox"/>
Other Impacted :			<input type="checkbox"/>

Project Improvement/Maintenance of Water Quality:

- a. Contributes to water quality Improvement.
 b. Allows the system to Maintain Compliance.
 c. Affected waterbody is Meeting Standards.
 d. Allows the system to address..... Existing TMDL Projected TMDL Watershed Management Plan

Designated Surface Water Uses (Selected):

Class 1C – Domestic water supply
Class 2B – Secondary contact recreation
Class 3A – Cold water aquatic life
Class 4 – Agricultural

Protection:
Secondary
Secondary
Secondary
Secondary

Other Uses and Outcomes (Selected):

Infrastructure Improvement

Protection:
Restoration:
Primary

Comments:

CWSRF Benefits Reporting

Loan: UTS3 Borrower: City of Moab Assistance Type: Loan Loan Amount \$: \$13,500,000 <input type="checkbox"/> Final Amount	<input type="checkbox"/> Entry Complete Loan Execution Date: 04/11/2017 Loan Interest Rate: 1.15% Repayment Period: 20 % Funded by CWSRF: 87%	Tracking #: 248 Other #: Incremental Funding: N Phase #: 0 Original Tracking #: Linked to Tracking#: Same Environmental Results: <input type="checkbox"/> ARRA Funding: <input type="checkbox"/>
Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>		Total NPS Projects: 0

Project: 1 of 1 **GW Needs Survey Number :** **# of NPS Projects:** 0
Project Description: Construction of a new wastewater treatment plant
Facility Name: City of Moab
Population Served (Current) :
 by the Project: 0
 by the Facility: 0
Wastewater Volume (Design Flow) :
 by the Project: 0.0000mgd **Volume Eliminated/Conserved:** 0.0000mgd
 by the Facility: 0.0000mgd

Discharge Information:
 Ocean Outfall Estuary/Coastal Bay Wetland Surface Water Groundwater Land Application
 Other/Reuse Eliminates Discharge No Change / No Discharge NEP Study Seasonal Discharge
NPDES Permit Number: UT0020419 No NPDES Permit
Other Permit Type: **Other Permit Number:**

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :				<input type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

Project Improvement/Maintenance of Water Quality:
 a. Contributes to water quality Improvement.
 b. Allows the system to Maintain Compliance.
 c. Affected waterbody is Impaired.
 d. Allows the system to address..... Existing TMDL Projected TMDL Watershed Management Plan

Designated Surface Water Uses (Selected):
 Class 2A – Primary contact recreation
 Class 3B – Warm water aquatic life
 Class 4 – Agricultural

Protection:	Restoration:
Primary	
Primary	
Primary	

Other Uses and Outcomes (Selected):
 Infrastructure Improvement
 Regionalization/Consolidation

Protection:	Restoration:
Primary	Primary

Comments:

TABLE 1
UTAH STATE REVOLVING FUND
FINANCIAL ASSISTANCE PROVIDED THROUGH JUNE 30, 2017

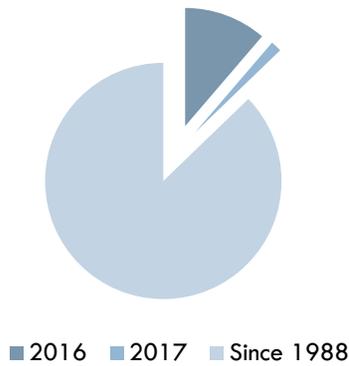
	Recipient Name	Project Number	Equivalency	Type L = Loan PF = Principal Forgiveness	Interest Rate	Hardship Assess ment Rate	Term	SRF Needs Category	Assistance Amount	Binding Commitment	Construction Start
1	Moab City	248	x	L	1.15%		20yrs	I	13,500,000	Apr-17	May-17
2	Duchesne City	250	x	L & PF	0.25%		30yrs	I	2,250,000	May-17	Jun-17
									TOTAL LOANS	15,750,000	
									TOTAL ADMIN COSTS THROUGH FY17	9,121,996	
									GRAND TOTAL	24,871,996	

TABLE 2
UTAH STATE REVOLVING FUND
CASH DRAW SCHEDULE FOR STATE FISCAL YEAR 2017

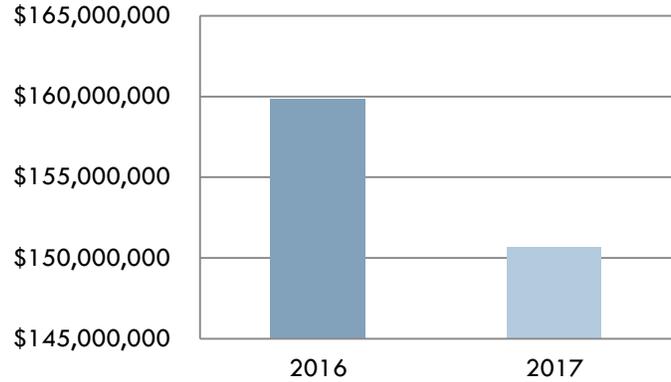
Recipient Name	Project Number	Source of Draws		SFY	SFY	SFY	SFY	SFY
		Cap Grant ❖	Second Round ●	2017 July - Sept 1st Qtr	2017 Oct - Dec 2nd Qtr	2017 Jan - Mar 3rd Qtr	2017 Apr - June 4th Qtr	2017 Total
Duchesne City	250	❖		0	0	0	825,000	825,000
Eureka City	196	❖		400,000	0	0	0	400,000
Francis City	197	❖		882,019	0	0	0	882,019
Moab City	248	❖		0	0	0	2,220,000	2,220,000
DWQ Administrative Costs				94,782	131,521	97,636	172,297	496,236
TOTAL				1,376,801	131,521	97,636	3,217,297	4,823,255
Federal LOC				1,354,003	105,452	93,721	1,712,926	3,266,101
Loan Origination Fees				22,799	26,070	3,915	39,217	92,000
State Match				0	0	0	1,465,154	1,465,154
SRF Repayment Fund				0	0	0	0	0

FIGURE 1-KEY PROGRAM RESULTS

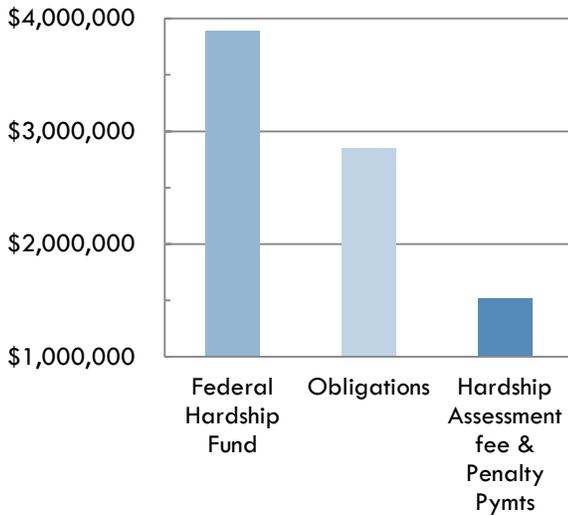
Total Loans Closed



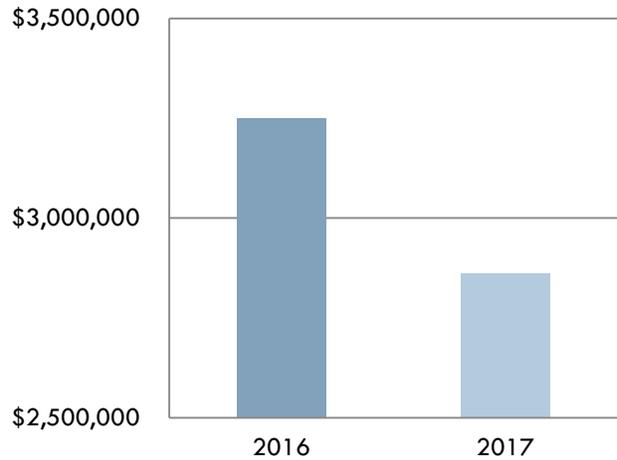
Total Loans Receivable



2017 Federal Hardship Activities



2017 Capitalization Grant Funds drawn



2017 SRF Receipts & Disbursements

