

# STATE OF UTAH WATER QUALITY STATE REVOLVING FUND



State Fiscal Year  
2016

ANNUAL REPORT & FINANCIAL STATEMENTS

## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY</b> .....	<b>2</b>
<b>PROGRAM HISTORY</b> .....	<b>3</b>
<b>MISSION STATEMENT</b> .....	<b>3</b>
<b>PROGRAM GOALS</b> .....	<b>4</b>
<b>PROGRAM ACCOMPLISHMENTS</b> .....	<b>6</b>
<b>OPERATING AGREEMENT CONDITIONS</b> .....	<b>8</b>
<b>ADDITIONAL SUBSIDIZATION</b> .....	<b>10</b>
<b>GREEN PROJECT RESERVE</b> .....	<b>10</b>
<b>A/E PROCUREMENT</b> .....	<b>11</b>
<b>CURRENT PROGRAM STATUS</b> .....	<b>11</b>
<b>FY16 CLEAN WATER SRF FINANCIAL STATEMENTS</b> .....	<b>12</b>
<b>NOTES TO CLEAN WATER SRF FINANCIAL STATEMENTS</b> .....	<b>15</b>
NOTE 1 – DEFINITION OF REPORTING ENTITY.....	15
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	16
NOTE 3 – CASH AND INVESTMENTS .....	17
NOTE 4 – LOANS RECEIVABLE.....	18
NOTE 5 – DUE TO STATE OF UTAH .....	20
NOTE 6 – CAPITAL CONTRIBUTIONS.....	20
NOTE 7 – RISK MANAGEMENT .....	20
NOTE 8 – CONTINGENCIES AND SUBSEQUENT EVENTS.....	21
NOTE 9 – NET ASSETS.....	21
<b>SUPPLEMENTARY INFORMATION</b> .....	<b>22</b>
CLEAN WATER SRF COMBINING FINANCIAL STATEMENTS .....	23
TABLE 1 – UTAH SRF FINANCIAL ASSISTANCE PROVIDED THROUGH JUNE 30, 2016 .....	26
TABLE 2 – UTAH SRF CASH DRAW SCHEDULE FOR SFY 2016 .....	28
CLEAN WATER SRF BENEFITS REPORTING SUMMARY FOR LOGAN CITY .....	29

# 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 and 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.

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.

Key program results at the end of Fiscal Year 2016 were:

- One hundred and sixteen (116) loans have been closed since August 1988; one hundred and ten (110) of those projects having completed construction.
- As of June 30, 2016, the total loans receivable amount was \$159,884,654.
- During FY16, a total of \$3,251,000 was drawn from federal EPA Capitalization Grant funds for projects under construction.
- SRF activity in FY16 included total loan disbursements of \$3,869,000; principal forgiveness disbursements of \$251,000; principal loan repayments of \$14,442,344; and, loan interest and penalty payments of \$589,551.

- The Federal Hardship fund activity included disbursements of \$1,737,154; repayments of \$487,821; and, hardship assessment fee and penalty payments of \$1,603,457.
- Construction was completed on one SRF loan project: Kearns Improvement District. No projects started construction during FY16.

## **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 that are otherwise financially unable to implement clean water projects with support from the loan programs.

## **MISSION STATEMENT**

### **DEQ - Our Mission, Vision and Values**

- **Our Mission**  
Safeguarding and improving Utah's air, land and water through balanced regulation
- **Our Vision**  
Clean air, land and water for a healthy and prosperous Utah
- **Our 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.

## **PROGRAM GOALS**

Projects in the state that preserve and protect water quality are considered for financial assistance. Funded projects may 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 supplements 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 funding 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 critical need and financial information 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 is to ensure 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 and/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) in order 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.

## PROGRAM ACCOMPLISHMENTS

During FY16, the Board authorized funding for three (3) loan projects, namely Moab City, Duchesne City, and Salem City.

- Moab City received authorization for a \$10,400,000 loan at 1.15% interest and repayable over 20 years to construct a new regional wastewater treatment plant. The project has an estimated \$400,000 Green Project Reserve component.
- Duchesne City received the funding of a \$400,000 grant, a loan for \$2,700,000 with an interest rate of 0.25%, with a term of 30 years, and an advance of \$206,000 to help pay for design and bidding expenses. Authorization includes all special conditions. This project will be for an upgrade and rehabilitation of the city's lagoon wastewater treatment plant.
- Salem City received authorization for a loan in the amount of \$13,000,000 at 1.15% interest and a term of 20 years. The loan will be used to construct a new mechanical wastewater treatment plant. The plant is necessary to meet the upcoming EPA ammonia standard. The city also received an advance of \$875,000 to help fund the upfront pre-construction costs. The project has an estimated \$400,000 Green Project Reserve component.

In addition, the Board authorized \$133,000 for planning studies; \$321,000 for hardship grants; and \$369,000 for nonpoint source and study activities.

State Revolving Loan and Utah Wastewater Loan funds are not fully obligated until bonds are purchased by the Board; therefore, funds for construction are unavailable to communities until loan closing occurs. During Fiscal Year 2016, the Board held closings for one (1) project—Logan City.

- Logan City closed on a \$70,000,000 loan at 0.75% interest and repayable over twenty years. The total project cost is estimated to be \$115,000,000. Logan City will construct a new 18 MGD advanced water reclamation facility to replace its existing 540 acre discharging lagoon system and meet total maximum daily load (TMDL) discharge limitations for phosphorus. An innovative technology “ballasted activated sludge” will be implemented to minimize the structural footprint and requirements for the facility.

All funds committed through the SRF are categorized by the EPA “Needs Category.” Figure 1 shows the total amount of SRF dollars committed by Needs Category.

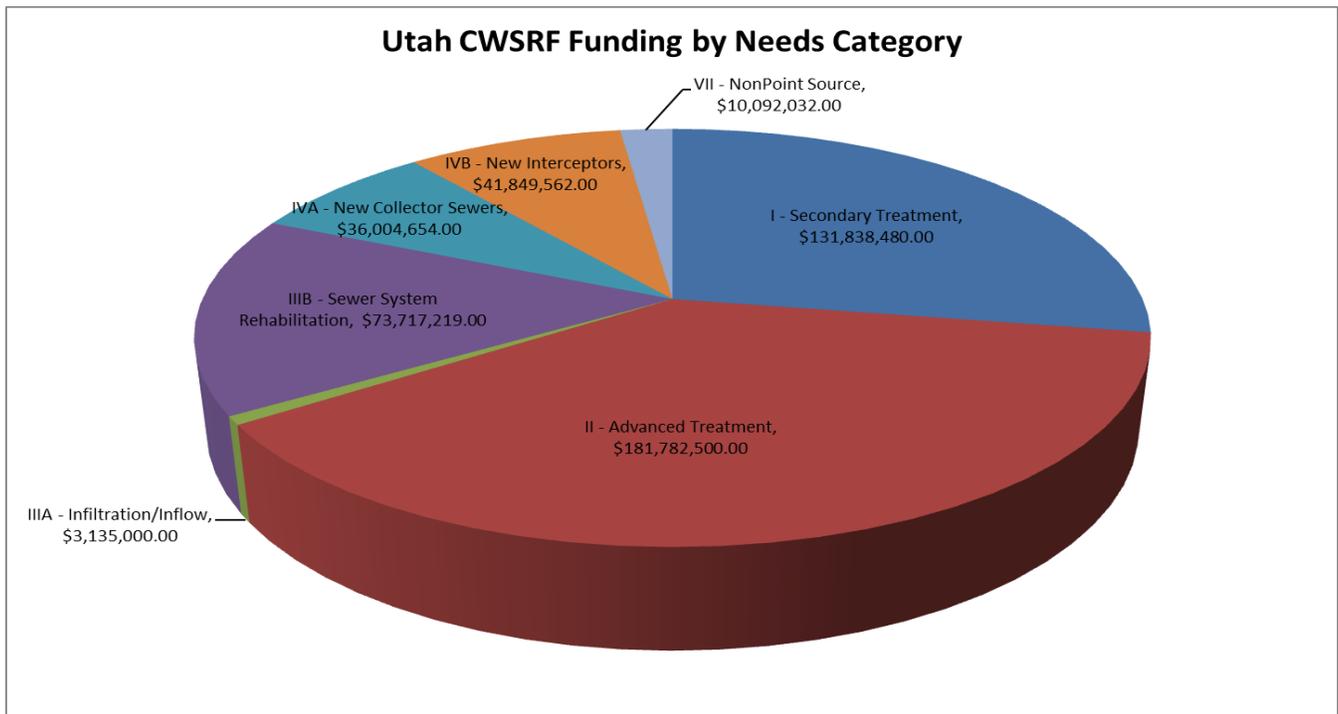


Figure 1

Loan and hardship grant monies are disbursed from financial assistance program accounts for: eligible project costs including study, planning, design, and construction; state match; and program administration. Funds disbursed from the accounts during FY16 are summarized below.

- **SRF Disbursements** - A total of \$4,120,000 was disbursed for SRF projects under construction. This includes \$3,869,000 of bond disbursements and \$251,000 of principal forgiveness. Cumulative SRF project assistance disbursed since the inception of the program equals \$408,808,466.
- **UWLF Disbursements** - A total of \$2,561,850 was disbursed including \$1,157,000 for projects under construction, and \$1,404,850 for Division administrative costs.
- **Hardship Grant Funds Disbursements** - The Board may use hardship grant monies to award planning advances, design advances, planning grants, construction grants, hardship grants, and non-point source grants. In FY16, \$1,881,136 was disbursed from the Hardship Grant Funds. Figure 2 demonstrates the total dollar amount of disbursements made by project type.

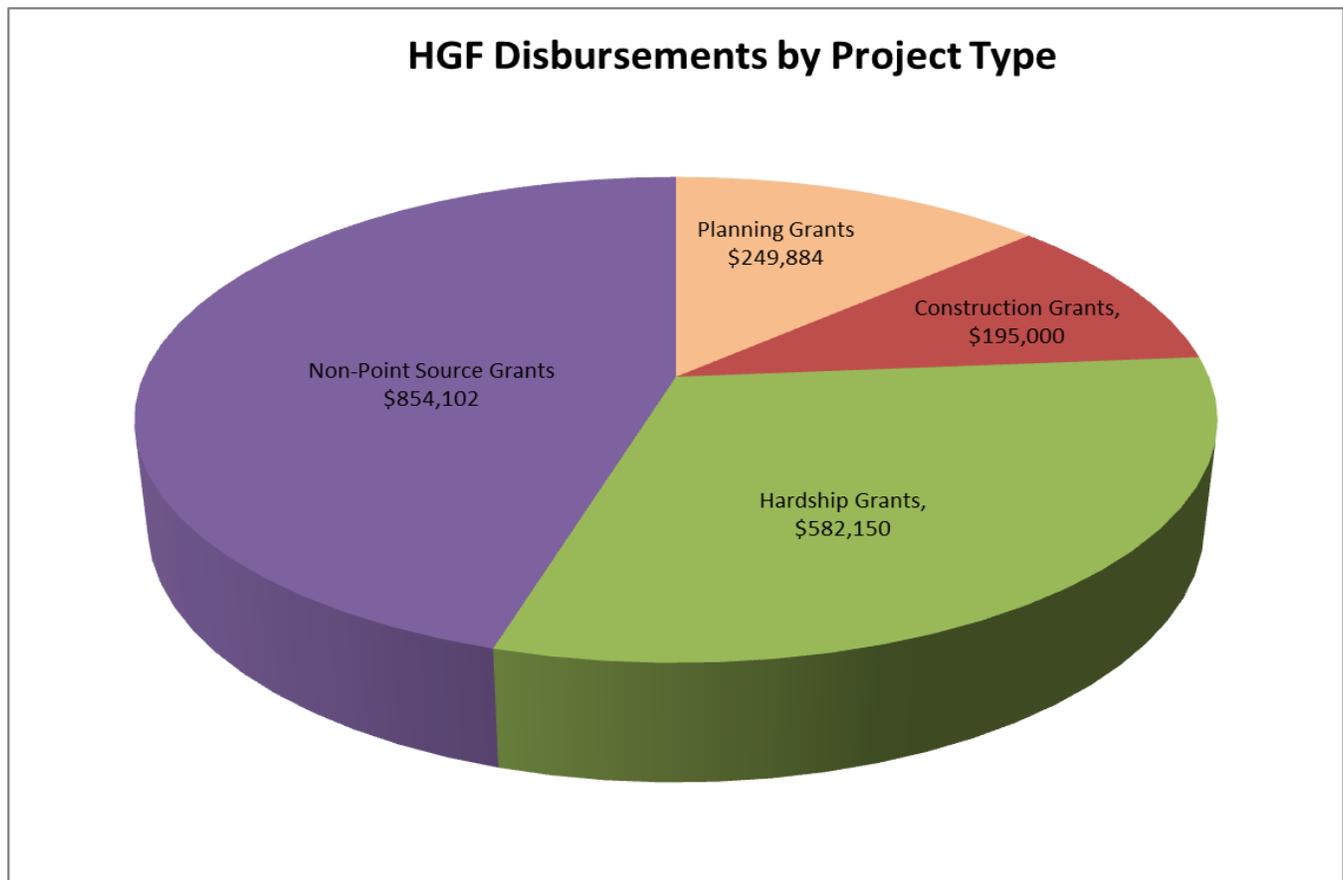


Figure 2

### 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:

1. Agreement to Accept Payments
2. State Laws and Procedures
3. State Accounting and Auditing Procedures
4. Recipient Accounting and Auditing Procedures
5. Use of the Automated Standard Application for Payments (ASAP)
6. Repayments
7. Annual Audit
8. Annual Report
9. Annual Review

10. Anti-lobbying
11. Drug Free Workplace
12. 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:

13. 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.
14. 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.
15. 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 2014, 2015, and 2016 is \$26,705,667, which is greater than the established baseline of \$10,770,155.
16. 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.
17. 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.
18. Eligible Activities of the Fund - All projects that have received SRF loans have expended loan proceeds for eligible costs.
19. 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.
20. 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.

- 21. 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.
- 22. 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.
- 23. 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.
- 24. Outlay Projections - The FY16 Intended Use Plan (IUP) projected draws for loans from the EPA Capitalization Grants equal to \$1,238,000. During SFY 2016 a total of \$3,251,000 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 annual award requirements for additional subsidization. Utah has not yet met the requirements for the 2014, 2015, or 2016 additional subsidization. However, the program will continue to provide information regarding identified projects and funds expended in subsequent Intended Use Plans and Annual Reports.

<b>Additional Subsidization Requirements</b>		
<b>Award Year</b>	<b>Minimum Amount</b>	<b>Maximum Amount</b>
2014	\$400,623	\$600,934
2015	\$0	\$2,197,200
2016	\$701,100	\$2,103,300

**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.

<b>Green Project Reserve Requirements</b>			
Award Year	Amount	Project	Credit
2014	\$736,200	Francis Town	\$2,000,000
2015	\$732,400		
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 in order to provide construction assistance and to improve water quality for the State of Utah.

**FY16 CLEAN WATER SRF FINANCIAL STATEMENTS**

**UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY  
DIVISION OF WATER QUALITY - STATE REVOLVING FUND  
UNAUDITED STATEMENT OF NET ASSETS  
June 30, 2016**

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash & Cash Equivalents	\$ 103,645,029
Receivables:	
Amount due from EPA	44,969
Amount due from State	3
Loan interest	713,086
Hardship assessments	513,109
Loans Receivable	12,961,401
Total current assets	<u>117,877,597</u>
<b>NONCURRENT ASSETS</b>	
Loans receivable	<u>146,923,253</u>
<b>TOTAL ASSETS</b>	<u>264,800,850</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Deposits	-
Due to State	63,557
Due to Other Funds	10,689
Accounts Payable	100,929
	<u>175,175</u>
<b>TOTAL LIABILITIES</b>	175,175
<b>NET ASSETS</b>	
Unrestricted	<u>264,625,675</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 264,625,675</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 STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
June 30, 2016**

	<b>Total</b>
<b>OPERATING REVENUES</b>	
Loan interest	\$ 633,850
Hardship assessments	1,609,341
Late Fees	5,233
EPA Program Administration Fees	312,633
Loan Origination Fees	700,000
Total Operating Revenues	3,261,057
<b>OPERATING EXPENSES</b>	
Hardship grants	1,598,522
Principal Forgiveness	251,000
EPA Program Administration	312,633
Total Operating Expenses	2,162,155
<b>OPERATING INCOME (LOSS)</b>	1,098,902
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	727,554
EPA capitalization grants - Loans	3,000,000
EPA capitalization grants - Principal Forgiveness	251,000
State match	-
Transfers in	-
Transfers out	(88,700)
Total nonoperating revenues(expenses)	3,889,854
<b>CHANGE IN NET ASSETS</b>	4,988,756
<b>NET ASSETS, BEGINNING OF YEAR</b>	259,636,919
<b>NET ASSETS, END OF YEAR</b>	\$ 264,625,675

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, 2016

	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from loan interest and penalties	\$ 589,551
Cash received from hardship assessments	1,603,457
Loan origination fees received	700,000
Loans disbursed	(3,869,000)
Hardship grants disbursed	(1,737,154)
Principal received on loans receivable	14,930,165
Principal forgiveness disbursed	(251,000)
Grant awards	283,033
Program administration	(349,983)
Charges for services	-
Project administration	-
Net cash (required) by operating activities	11,899,069
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Funds received from EPA capitalization grants - Loans	3,000,000
Funds received from EPA capitalization grants - Principal Forgiveness	251,000
Transfers in	-
Transfers out	(88,700)
Funds received from State of Utah	-
Net cash provided by noncapital financing activities	3,162,300
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net investment income received	727,554
Net cash provided by investing activities	727,554
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	15,788,923
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	87,856,106
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 103,645,029
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ 1,098,902
Changes in assets and liabilities related to operations:	
(Increase)/Decrease in loan interest receivable	(49,531)
(Increase)/Decrease in hardship assessments receivable	(5,884)
(Increase)/Decrease in amount due from EPA	0
(Decrease)/Increase in amount due from State	(29,601)
(Decrease)/Increase accounts payable	(12,198)
(Decrease)/Increase in amount deposits	-
(Decrease)/Increase in amount due to State	(37,358)
(Decrease)/Increase in amount due to Other Funds	(79,307)
(Increase)/Decrease accounts receivable	-
(Increase)/Decrease loans receivable	11,014,046
Net cash (required) by operating activities	\$ 11,899,069

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 fund 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 interest repayments 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 (2<sup>nd</sup> Round). 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 allocable 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 collection of the principal is improbable. The allowance for bad debts was \$0 at June 30, 2016.

**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.

**STATE OF UTAH WATER QUALITY STATE REVOLVING FUND**

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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, 2016.

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	\$ 1,118,902
Public Treasurer’s Investment Fund	\$ <u>102,526,127</u>
Total cash and cash equivalents	\$ 103,645,029

**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, 2043 and the scheduled principal repayments on loans follows:

<b>LOANS RECEIVABLE</b>	
<b>Year Ending June 30,</b>	<b>Amount</b>
2017	12,961,401
2018	10,623,219
2019	11,065,023
2020	11,136,302
2021	11,171,581
2022 – 2026	50,571,642
2027 – 2031	37,645,450
2032 – 2036	9,675,379
2037 – 2041	4,482,000
2042 – 2043	552,657
	<b>\$159,884,654</b>

#### **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, 2016 of these major local agencies represent approximately forty-four percent (44%) of the total loans receivable and are as follows:

<b>LOANS TO MAJOR LOCAL AGENCIES</b>		
<b>Borrower</b>	<b>Authorized Loan Amount</b>	<b>Outstanding Loan Balance</b>
South Valley Water Reclamation Facility	\$22,110,000	\$17,487,000
North Davis Sewer District	21,650,000	16,148,000
Hooper City	12,665,000	10,225,000
Orem City	11,889,000	9,513,000
Central Weber Sewer Improvement Dist.	11,055,000	8,740,512
Kearns Improvement District	10,380,000	8,214,812
<b>Total</b>	<b>\$89,749,000</b>	<b>\$70,328,324</b>

**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:

<b>CAPITAL CONTRIBUTIONS</b>					
Year	Grant Award	Funds Drawn as of June 30, 2015	Funds Drawn During Year Ended June 30, 2016	Total Funds Drawn as of June 30, 2016	Available Funds as of June 30, 2016
1988 – 2007	\$145,550,094	\$145,550,094	-	\$145,550,094	\$-
2008	3,521,700	3,521,700	-	3,521,700	-
2009	3,521,600	3,521,600	-	3,521,600	-
2009 ARRA	20,649,900	20,649,900	-	20,649,900	-
2010	10,736,000	10,736,000	-	10,736,000	-
2011	7,759,000	7,759,000	-	7,759,000	-
2012	7,422,000	7,422,000	-	7,422,000	-
2013	7,006,000	7,006,000	-	7,006,000	-
2014	7,362,000	1,776,063	3,536,556	5,312,619	2,049,381
2015	7,324,000	-	27,077	27,077	7,296,923
2016	7,011,000	-	-	-	7,011,000
<b>Totals</b>	<b>\$227,863,294</b>	<b>\$207,942,357</b>	<b>\$3,563,633</b>	<b>\$211,505,990</b>	<b>\$16,357,304</b>

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, 2015	\$39,587,644
State match paid during the year ended June 30, 2016	<u>0</u>
State match paid as of June 30, 2016	\$39,587,644

**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, 2016 Comprehensive Annual Financial Reports.

**NOTE 8 – CONTINGENCIES AND SUBSEQUENT EVENTS**

As of June 30, 2016, the total remaining draws for SRF projects with closed loans was \$70,169,000. Draws will be completed during future fiscal years in order to complete wastewater projects in these communities. As of June 30, 2016, the Board had authorized an additional \$26,105,000 in loan funding for three 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, 2015, 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.

## **SUPPLEMENTARY INFORMATION**

## CLEAN WATER SRF COMBINING FINANCIAL STATEMENTS

UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY  
 DIVISION OF WATER QUALITY - STATE REVOLVING FUND  
 UNAUDITED COMBINING STATEMENT OF NET ASSETS  
 June 30, 2016

	SRF Fund	Loan Origination Fee Fund	Hardship Fund	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash & Cash Equivalents	\$ 96,317,865	\$ 1,080,787	\$ 6,246,377	\$ 103,645,029
Receivables:				
Amount due from EPA	44,969	-	-	44,969
Amount due from State	3	-	-	3
Loan interest	713,086	-	-	713,086
Hardship assessments	-	-	513,109	513,109
Loans Receivable	12,931,819	-	29,582	12,961,401
Total current assets	110,007,742	1,080,787	6,789,068	117,877,597
<b>NONCURRENT ASSETS</b>				
Loans receivable	146,205,969	-	717,284	146,923,253
<b>TOTAL ASSETS</b>	256,213,711	1,080,787	7,506,352	264,800,850
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Deposits	-	-	-	-
Due to State	63,557	-	-	63,557
Due to Other Funds	-	-	10,689	10,689
Accounts Payable	8	-	100,921	100,929
<b>TOTAL LIABILITIES</b>	63,565	-	111,610	175,175
<b>NET ASSETS</b>				
Unrestricted	256,150,146	1,080,787	7,394,742	264,625,675
<b>TOTAL NET ASSETS</b>	\$ 256,150,146	\$ 1,080,787	\$ 7,394,742	\$ 264,625,675

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, 2016**

	SRF Loan Fund	Loan Origination Fee Fund	Hardship Fund	Total
<b>OPERATING REVENUES</b>				
Loan interest	\$ 633,850	\$ -	\$ -	\$ 633,850
Hardship assessments	-	-	1,609,341	1,609,341
Late Fees	5,233	-	-	5,233
EPA Program Administration Fees	312,633	-	-	312,633
Loan Origination Fees	-	700,000	-	700,000
Total Operating Revenues	<u>951,716</u>	<u>700,000</u>	<u>1,609,341</u>	<u>3,261,057</u>
<b>OPERATING EXPENSES</b>				
Hardship grants	-	-	1,598,522	1,598,522
Principal Forgiveness	251,000	-	-	251,000
EPA Program Administration	312,633	-	-	312,633
Total Operating Expenses	<u>563,633</u>	<u>-</u>	<u>1,598,522</u>	<u>2,162,155</u>
<b>OPERATING INCOME (LOSS)</b>	<u>388,083</u>	<u>700,000</u>	<u>10,819</u>	<u>1,098,902</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	683,585	-	43,969	727,554
EPA capitalization grants - Loans	3,000,000	-	-	3,000,000
EPA capitalization grants - Principal Forgiveness	251,000	-	-	251,000
State match	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(88,700)	-	(88,700)
Total nonoperating revenues(expenses)	<u>3,934,585</u>	<u>(88,700)</u>	<u>43,969</u>	<u>3,889,854</u>
<b>CHANGE IN NET ASSETS</b>	<u>4,322,668</u>	<u>611,300</u>	<u>54,788</u>	<u>4,988,756</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>251,827,478</u>	<u>469,487</u>	<u>7,339,954</u>	<u>259,636,919</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 256,150,146</u>	<u>\$ 1,080,787</u>	<u>\$ 7,394,742</u>	<u>\$ 264,625,675</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, 2016

	SRF Loan Fund	Loan Origination Fee Fund	Hardship Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from loan interest and penalties	\$ 589,551	\$ -	\$ -	\$ 589,551
Cash received from hardship assessments	-	-	1,603,457	1,603,457
Loan origination fees received	-	700,000	-	700,000
Loans disbursed	(3,869,000)	-	-	(3,869,000)
Hardship grants disbursed	-	-	(1,737,154)	(1,737,154)
Principal received on loans receivable	14,442,344	-	487,821	14,930,165
Principal forgiveness disbursed	(251,000)	-	-	(251,000)
Grant awards	283,033	-	-	283,033
Program administration	(349,983)	-	-	(349,983)
Charges for services	-	-	-	-
Project administration	-	-	-	-
Net cash (required) by operating activities	<u>10,844,945</u>	<u>700,000</u>	<u>354,124</u>	<u>11,899,069</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Funds received from EPA capitalization grants - Loans	3,000,000	-	-	3,000,000
Funds received from EPA capitalization grants - Principal Forgiveness	251,000	-	-	251,000
Transfers in	-	-	-	-
Transfers out	-	(88,700)	-	(88,700)
Net funds received from State of Utah	-	-	-	-
Net cash provided by noncapital financing activities	<u>3,251,000</u>	<u>(88,700)</u>	<u>-</u>	<u>3,162,300</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net investment income received	683,585	-	43,969	727,554
Net cash provided by investing activities	<u>683,585</u>	<u>-</u>	<u>43,969</u>	<u>727,554</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	14,779,530	611,300	398,093	15,788,923
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	81,538,335	469,487	5,848,284	87,856,106
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 96,317,865</u>	<u>\$ 1,080,787</u>	<u>\$ 6,246,377</u>	<u>\$ 103,645,029</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 388,083	\$ 700,000	\$ 10,819	\$ 1,098,902
Changes in assets and liabilities related to operations:				
(Increase)/Decrease in loan interest receivable	(49,531)	-	-	(49,531)
(Increase)/Decrease in hardship assessments receivable	-	-	(5,884)	(5,884)
(Increase)/Decrease in amount due from EPA	-	-	-	-
(Decrease)/Increase in amount due from State	(29,601)	-	-	(29,601)
(Decrease)/Increase accounts payable	8	-	(12,206)	(12,198)
(Decrease)/Increase in deposits	-	-	-	-
(Decrease)/Increase in amount due to State	(37,358)	-	-	(37,358)
(Decrease)/Increase in amount due to Other Funds	-	-	(79,307)	(79,307)
(Increase)/Decrease accounts receivable	-	-	-	-
(Increase)/Decrease loans receivable	10,573,344	-	440,702	11,014,046
Net cash (required) by operating activities	<u>\$ 10,844,945</u>	<u>\$ 700,000</u>	<u>\$ 354,124</u>	<u>\$ 11,899,069</u>

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

STATE OF UTAH WATER QUALITY STATE REVOLVING FUND

TABLE 1											
UTAH STATE REVOLVING FUND											
FINANCIAL ASSISTANCE PROVIDED THROUGH JUNE 30, 2016											
Recipient Name	Project Number	Equivalency	Type L = Loan PF = Principal Forgiveness	Interest Rate	Hardship Assessment Rate	Term	SRF Needs Category	Assistance Amount	Binding Commitment	Construction Start	Construction Completion
Smithfield City	101	x	L	0.00%		20 yrs	IVa&b	3,630,300	Aug-88	Aug-98	Aug-99
South Davis SID - North	102	x	L	3.00%		20 yrs	I	4,498,000	Jan-89	Sep-98	Oct-91
Central Davis SID - Ph 4	103a	x	L	3.00%		20 yrs	I	1,250,000	Feb-89	Feb-89	Aug-91
Providence City	104	x	L	0.00%		18 yrs	IVa & b	3,503,000	Sep-89	Nov-90	Jan-91
Solitude ID Phase I	105	x	L	0.00%		20 yrs	IVb	2,993,000	Mar-90	Apr-90	Jan-92
Central Davis SID - Ph 5&6	103b	x	L	3.00%		20 yrs	I	1,150,000	Apr-90	Feb-99	Aug-91
Central Davis SID - Ph 5&6	108	x	L	5.00%		20 yrs	I	850,000	Apr-90	Jan-90	Jun-91
South Davis SID - North	107	x	L	5.00%		20 yrs	I	4,205,000	Aug-90	Feb-99	Nov-92
Solitude ID (phase II & III)	112	x	L	0.00%		20 yrs	IVb&IVa	2,378,718	May-91	Apr-93	May-91
Hyde Park City	105	x	L	0.00%		18 yrs	IV b	800,000	Dec-91	Jan-92	Mar-95
South Weber City	114	x	L	0.00%		20 yrs	IVb&IVa	3,056,000	May-92	Jul-92	Oct-95
South Davis SID - South	115	x	L	4.00%		20 yrs	I	4,475,000	Sep-92	Oct-92	Oct-95
Aurora City	119	x	L	0.00%		20 yrs	IVb,IVa&I	965,000	Apr-93	Nov-93	Sep-94
Timpanogos SD (sludge)	125	x	L	3.50%		10 yrs	II	1,300,000	Jun-93	Jun-93	Dec-93
St George City	123	x	L	3.50%		20 yrs	I	4,000,000	Dec-93	Nov-94	Oct-98
Santaquin City	109	x	L	0.00%		20 yrs	IVb,IVa&I	1,307,000	Feb-94	Apr-94	Dec-93
Orem City	128	x	L		3.50%	20 yrs	I	3,800,000	Apr-94	Aug-94	Jun-97
North Davis Co. SID	126	x	L		3.50%	20 yrs	II	4,000,000	Jun-94	Aug-94	Apr-96
Snyderville Basin SID	122	x	L	0.00%		20 yrs	I	2,900,000	Jun-94	Aug-94	Jun-97
Magna ID	132	x	L		3.50%	20 yrs	IVb, I	2,320,000	Jun-94	Jul-94	Jul-95
Timpanogos SD	135	x	L		4.00%	20 yrs	II	2,900,000	Jul-94	Jul-94	Apr-96
Cedar City	117	x	L		2.75%	20 yrs	III & IVb	12,010,000	Aug-94	Sep-94	Jun-97
Provo City	131	x	L		3.50%	7 yrs	II	1,185,000	Apr-95	Apr-95	Oct-96
Jordanville SAD	130	x	L		3.00%	10 yrs	IVb	2,735,000	May-95	May-95	Dec-01
Midway Sanitation District	113	x	L		3.00%	10 yrs	IVb	151,000	May-95	May-95	Dec-01
Mapleton City	116	x	L	0.00%		20 yrs	IVa & IVb	6,330,000	Jun-95	Jul-95	Dec-96
Snyderville Basin SID	134	x	L	5.00%		15 yrs	II	1,500,000	Jul-95	Aug-95	Apr-97
Grantsville City	124	x	L	0.00%		20 yrs	I	3,278,000	Aug-95	Sep-95	Oct-96
Moab City	129	x	L		4.50%	10 yrs	I	1,821,000	Sep-96	Oct-96	Mar-98
Highland City	144	x	L		4.00%	20 yrs	IVa & b	2,178,000	May-97	Apr-97	Apr-99
Central Davis Co. SD	140	x	L		4.50%	20 yrs	I	5,100,000	Jul-97	Aug-97	Oct-99
Nibbley City	142	x	L	0.00%		30 yrs	IVa & b	6,104,000	Jul-01	Aug-01	May-04
St George City	138	x	L		1.00%	20 yrs	I & II	12,000,000	Sep-97	Oct-97	Aug-02
Mapleton City	143	x	L	0.00%		20 yrs	IVa&b	3,070,000	Dec-97	Jul-95	Dec-96
Tooele City	111	x	L		3.50%	20 yrs	I & II	7,570,000	Dec-97	Jan-98	Apr-01
Washington City	213	x	L		2.00%	20 yrs	IVb&IIIa	3,358,000	May-99	Jun-99	Jul-03
Ephraim City	212	x	L		3.60%	20yrs	I	2,100,000	Sep-99	Oct-99	Jul-00
Minersville City	209	x	L		1.00%	20 yrs	I	925,000	Sep-99	Oct-99	Mar-00
Escalante City	214	x	L		2.00%	20yrs	I	563,000	Oct-99	Oct-99	Mar-00
Richfield City	204	x	L		4.00%	20yrs	IIIb	4,000,000	Nov-99	Jan-99	Aug-02
Price River WID	145	x	L	4.00%		20yrs	I	1,000,000	May-00	Jun-00	Mar-01
Green River City	110	x	L	0.00%		20yrs	IIIb	870,000	Jun-00	Jul-00	May-02
Salina City	211	x	L	1.00%		20yrs	IIIb & IVb	2,725,000	Aug-00	Sep-00	Nov-03
Salina City (increase)	218	x	L	1.00%		20yrs	IIIb & IVb	400,000	Aug-00	Sep-00	Nov-03
Snyderville Basin (PR)	146	x	L	2.00%		10yrs	I	4,190,000	Dec-00	Feb-01	Aug-03
Sunnyside City	154	x	L	0.00%		20yrs	IIIb	635,000	Apr-01	May-01	Oct-02
West Haven SD	152	x	L	0.00%		20yrs	IVb	6,538,000	Apr-01	May-01	Nov-03
Hildale City	118	x	L	0.00%		20 yrs	I & IVb	1,985,000	Aug-01	Sep-01	Nov-02
Prayson City	148	x	L	4.00%		20yrs	I	7,479,000	Aug-01	Sep-01	Oct-04
Bear Lake SSD	220	x	L	0.00%		25yrs	I	2,230,000	Jul-03	Aug-03	Jul-07
Beaver City	217	x	L		4.00%	20yrs	I & IVb	2,050,000	Dec-01	Feb-02	Jul-03
Oakley City	221	x	L	0.00%		20yrs	I	400,000	Jul-02	Aug-02	Jun-03
South Salt Lake City	202	x	L	0.00%		20yrs	I	1,230,000	Aug-02	Non-02	Dec-99
Mapleton City	160	x	L		2.00%	20yrs	I	1,100,000	Feb-04	Jul-04	Jun-04
Nibbley City (increase)	142	x	L	0.00%		30yrs	IIIa & IVb	1,380,000	Feb-03	Mar-03	May-04
Nibbley City (increase)	142	x	L	0.00%		30yrs	IIIa & IVb	275,000	Jan-04	Mar-03	May-04
Hyrum City	209	x	L		1.30%	20yrs	I	4,220,000	Dec-03	Aug-03	Feb-06

Entity	Amount	Category	Rate	Term	Start	End	Balance	Start	End	Balance
Fairview City	120	x	L	0.00%	30yrs	IVa, IVb, I	2,400,000	Jan-04	Feb-04	Jul-05
Gubler	NPS002		L	0.00%	12yrs	NPS	43,838	Feb-04	Jul-03	Jan-04
North Davis Sewer District	157		L	2.74%	20yrs	I, II	20,000,000	Jun-04	Jul-04	Feb-06
North Davis Sewer District (Increase)	157		L	2.32%	20yrs	I, II	900,000	Mar-05	Jul-04	Jul-05
North Davis Sewer District (Increase)	157		L	2.32%	20yrs	I, II	750,000	Mar-05	Jul-04	Jul-05
Central Davis County SD	156	x	L	1.90%	20yrs	IVa & b, I	2,700,000	May-03	Jun-03	Jun-03
Central Davis County SD (Increase)	156	x	L	0.50%	20yrs	IVa & b, I	405,000	Apr-05	Jun-03	Nov-06
Central Valley WRF	158		L	3.00%	20yrs	IIIb	35,000,000	Apr-05	Apr-05	Mar-10
Moroni City	150	x	L	0.50%	20yrs	II	3,700,000	Jun-05	Jun-05	Jul-07
Parowan City	151	x	L	2.75%	20yrs	IVb	3,772,000	Aug-05	Aug-05	Dec-06
Hooper City	136	x	L	0.00%	30yrs	IVa	12,000,000	Jun-06	Jun-06	Apr-08
Gardner	NPS003		L	0.00%	20yrs	NPS	83,200	May-07	May-07	May-07
Waldron	NPS001		L	0.00%	20yrs	NPS	94,640	Jul-06	Jul-06	Jul-06
Jensen	NPS004		L	0.00%	20yrs	NPS	41,600	Mar-07	Mar-07	Mar-07
North Fork SSD	227	x	L	3.00%	20yrs	I & II	3,810,000	Nov-05	Nov-05	Oct-08
Ward	NPS005		L	0.00%	20yrs	NPS	31,200	Jun-07	Jun-07	Jun-07
Ward	NPS006		L	0.00%	20yrs	NPS	23,920	Jun-07	Jun-07	Jun-07
Wolf Creek	837		L	3.00%	20yrs	I	5,300,000	Jun-07	Jun-07	Jun-07
Magna Water Co.	838	x	L	3.00%	20	II	5,000,000	Aug-07	Aug-07	Dec-09
Beckstead	NPS007		L	0.00%	20yrs	NPS	47,320	Dec-07	Dec-07	Dec-07
Anhder	NPS008		L	0.00%	20yrs	NPS	20,800	Jan-08	Jan-08	Jan-08
South Valley WRF	162		L	2.30%	20yrs	II	20,100,000	Apr-08	Apr-08	Jan-11
South Valley WRF	NPS162		L	2.30%	20yrs	NPS	2,010,000	Apr-08	Apr-08	Apr-08
Central Weber SID	242		L	2.30%	20yrs	II	10,050,000	Apr-08	Dec-08	Mar-10
Central Weber SID	NPS242		L	2.30%	20yrs	II	1,005,000	Apr-08	Dec-08	Dec-11
Wayment	NPS010		L	0.00%	20yrs	NPS	114,025	Sep-08	Sep-08	Sep-08
Eagle Mountain City	234	x	L	1.00%	20yrs	II	6,665,000	Jul-08	Jul-08	Jan-10
Hooper City (Increase)	136	x	L	0.00%	30yrs	IVa	1,000,000	Dec-06	Dec-06	Apr-08
Perry City	244		L	3.00%	20yrs	II & IVb	5,875,000	Dec-08	Dec-08	Aug-10
Stockton Town	171	x	L	0.00%	30yrs	I & IVa	7,400,000	Sep-09	Sep-09	Oct-11
Riverdale City	178		L	3.00%	20yrs	IIIb	1,502,000	Oct-09	Oct-09	Nov-11
Salt Lake City Corporation	173	x	L	0.00%	20yrs	I	6,450,000	Nov-09	Nov-09	Jul-14
Keams Improvement District	174	x	L	0.00%	20yrs	IIIb	5,025,000	Dec-09	Dec-09	Dec-11
Price City	177	x	L	0.00%	20yrs	IIIb	850,000	Dec-09	Dec-09	Jan-11
Roosevelt City	175	x	L	0.00%	20yrs	I & IIIb	2,862,000	Dec-09	Dec-09	Nov-12
Salt Lake County	183	x	PF	0.00%	n/a	VII-K	484,200	Aug-09	Aug-09	Nov-10
Orem City	172	x	L	0.00%	20yrs	I	11,869,000	Feb-10	Feb-10	Dec-12
Parowan City	176	x	L	0.00%	20yrs	I	512,000	Feb-10	Feb-10	Aug-10
Utah State University Research Foundation	180	x	PF	0.00%	n/a	II	500,000	Aug-09	Aug-09	May-10
Snyderville Basin WRD	181	x	PF	0.00%	n/a	VII-K	300,000	Aug-09	Aug-09	Aug-12
Ogden City	184	x	PF	0.00%	n/a	VII-K	1,150,000	Sep-09	Sep-09	Dec-12
Salt Lake City Corporation - Green	182	x	PF	0.00%	n/a	VII-K	577,500	Aug-09	Aug-09	Nov-10
Utah Division of Wildlife Resources	179	x	PF	0.00%	n/a	VII-K	540,788	Aug-09	Aug-09	Nov-11
Mona City	165	x	L & PF	0.00%	30yrs	I	11,658,000	Oct-10	Oct-10	May-12
Mona City	C042	x	PF	0.00%	n/a	I & IVa	610,000	Sep-11	Oct-10	May-12
Washington Terrace	187		L	2.50%	20yrs	IIIb	835,000	Dec-10	Apr-11	Sep-14
Stansbury Park	186		L	2.50%	20yrs	I	3,000,000	Dec-10	Aug-11	Mar-12
Ogden City	184-B	x	PF	0.00%	n/a	VII-K	1,000,000	Dec-10	Dec-10	Dec-12
Lindon City	188		L	2.50%	20yrs	IIIb	3,000,000	Apr-11	Apr-11	Apr-13
Enwood Town	168	x	L & PF	0.00%	30yrs	I & IVa/b	2,941,399	Oct-11	Nov-11	Nov-12
Keams Improvement District	192		L	3.00%	20yrs	IIIb	6,555,000	Dec-11	Jan-12	Jan-12
Granger-Hunter Improvement District	193		L	2.50%	20yrs	IIIb	6,202,000	Jan-12	Feb-12	Feb-12
Santaquin City	169	x	L	1.00%	20yrs	II	6,934,000	Feb-12	Mar-12	Mar-14
Echo SSD	196	x	L & PF	0.00%	20yrs	VII-L	468,000	Dec-13	Dec-13	Dec-14
Ephraim City	191	x	L	2.00%	20yrs	I	2,353,000	Sep-14	Sep-14	Sep-14
Eureka City	193	x	L & PF	0.00%	30yrs	IIIb	1,644,019	Mar-15	Mar-15	Mar-15
Francis City	197	x	L & PF	0.00%	25yrs	I	5,750,981	Apr-15	Apr-15	Apr-15
Logan City	201	x	L	0.75%	20yrs	II	70,000,000	Mar-16	Mar-16	Mar-16
							TOTAL LOANS	478,419,447		
							TOTAL ADMIN COSTS THROUGH FY16	8,717,759		
								487,137,206		

**TABLE 2  
UTAH STATE REVOLVING FUND  
CASH DRAW SCHEDULE FOR STATE FISCAL YEAR 2016**

Recipient Name	Project Number	Source of Draws		Total Funding Amount	Previously Disbursed	SFY 2016	SFY 2016	SFY 2016	SFY 2016	SFY 2016	*Balance of Funding
		Cap Grant	Second Round			July - Sept 1st Qtr	Oct - Dec 2nd Qtr	Jan - Mar 3rd Qtr	Apr - June 4th Qtr	Total	
Echo Sewer SSD	196	❖		469,000	218,000	251,000	0	0	0	251,000	0
Francis City	197	❖		5,750,981	0	0	2,200,000	500,000	0	2,700,000	3,050,981
Keams Improvement District	192	❖		7,615,000	7,315,000	300,000	0	0	0	300,000	0
Logan City	201		●	70,000,000	0	0	0	869,000	0	869,000	69,131,000
DWQ Administrative Costs						56,577	99,790	99,402	152,554	408,323	
<b>TOTAL</b>				<b>83,834,981</b>	<b>7,533,000</b>	<b>607,577</b>	<b>2,299,790</b>	<b>1,488,402</b>	<b>152,554</b>	<b>4,528,323</b>	<b>72,181,981</b>
Federal LOC						591,012	2,271,213	579,225	122,183	3,563,633	
Loan Origination Fees						16,565	28,576	20,177	30,371	95,690	
State Match						0	0	0	0	0	
SRF Repayment Fund						0	0	869,000	0	869,000	

\*Please Note: Balance of Funding may be paid from sources other than the SRF, including Utah Wastewater Loan Funds and Hardship Grant Funds

**CWSRF Benefits Reporting**

<b>Loan:</b> UT62	<input type="checkbox"/> Entry Complete	<b>Tracking #:</b> 201	<b>Other #:</b>
<b>Borrower:</b> City of Logan	<b>Loan Execution Date:</b> 03/31/2016	<b>Incremental Funding:</b> N	<b>Phase #:</b> 0
<b>Assistance Type:</b> Loan	<b>Loan Interest Rate:</b> 0.75%	<b>Original Tracking #:</b>	<b>Linked to Tracking#:</b>
<b>Loan Amount \$:</b> \$70,000,000	<b>Repayment Period:</b> 20	<b>Same Environmental Results:</b>	<input type="checkbox"/>
<input type="checkbox"/> Final Amount	<b>% Funded by CWSRF:</b> 64%	<b>ARRA Funding:</b>	<input type="checkbox"/>
<b>Multiple nonpoint source projects with similar Environmental Results:</b>		<input type="checkbox"/>	<b>Total NPS Projects:</b> 0

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

**Project Description:** construction of a new mechanical wastewater treatment facility

**Facility Name:** Logan City Wastewater Treatment Plant

**Population Served (Current) :**

by the Project: 0  
by the Facility: 0

**Wastewater Volume (Design Flow) :**

by the Project: 18.0000mgd      **Volume Eliminated/Conserved:** 0.0000mgd  
by the Facility: 18.0000mgd

**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:** UT0021920       No NPDES Permit  
**Other Permit Type:**      **Other Permit Number:**

**Affected Waterbodies:**      **Waterbody Name**      **Waterbody ID**      **State Waterbody ID**      **Receiving Waterbody**

**Primary Impacted :** Cutler Reservoir        
**Other Impacted :**     

**Project Improvement/Maintenance of Water Quality:**

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

**Other Uses and Outcomes (Selected):**

**Infrastructure Improvement**      **Protection:**      **Restoration:** Primary

**Comments:** Receiving water: Swift Slough to Wetlands associated with the Cutler Reservoir.