

DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION LOAN

APPLICANT'S REQUEST

Juab County is requesting \$21,210,000 in financial assistance from the Drinking Water Board to construct a 10.9 mile long wholesale water pipeline from Santaquin to Mona. Total project cost is \$27,210,000 with \$6,000,000 in funding needed from other sources to purchase water rights.

STAFF COMMENTS:

Based on information from the Utah State Tax commission, the average Median Adjusted Gross Income (MAGI) for the two zip codes planned to be served by the pipeline is \$41,683. This local MAGI is 103% of the State MAGI of \$40,489 so the project does not qualify for additional subsidization based on local MAGI compared to state MAGI.

Juab County is currently not a public water system, but they will need to become one before starting to provide wholesale water to the public water systems in northern Juab County. Since they currently do not have any water connections or revenue generated by water sales, an average water bill and the associated %MAGI is not calculated.

Juab County is not planning on using water revenues to pay off the loan so they will need to have a successful general obligation bond election or other acceptable security prior to closing on the loan.

The current Revenue Bond Buyers Index (RBBI) interest rate is 3.97%. With the reduction associated with this being a regionalization project, the base evaluation returned an interest rate of 3.63% for 20 years. Other options that would make the loan more affordable to the county are included in the table below for the Drinking Water Board to consider.

	Description	Loan Amount	Per Annum Fee	Term	Nominal Annual Payment
1	Base Evaluation	\$21,210,000	3.63%	20 yrs	\$1,509,967
2	20 year, 2.5%	\$21,210,000	2.5%	20 yrs	\$1,360,561
3	30 year, 2.5%	\$21,210,000	2.5%	30 yrs	\$1,013,364

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board authorize a \$21,210,000 construction loan from the table above to Juab County, for a wholesale water transmission pipeline from Santaquin to Mona.

PROJECT MAP PROVIDED BY APPLICANT:



Juab County Wholesale Pipeline Project

PROJECT DESCRIPTION:

The proposed construction project consists of:

- approximately 10.9 miles of 30-inch ductile iron pipe from Santaquin to Mona
- improvements to two existing irrigation wells to bring them into compliance with drinking water regulations
- pump station in Santaquin - eight 50 HP pumps
- two 16-inch water lines connecting the existing wells to the pump station
- a 10-inch drain line running west through Mona, terminating at the Mona reservoir

IMPLEMENTATION SCHEDULE:

Apply to DWB for Funding:	January 2016
DWB Funding Authorization:	March 2016
Plans Submitted:	November 2016
Plan Approval:	January 2017
Advertise for Bids:	January 2017
Bid Opening:	February 2017
Loan Closing:	March 2017
Begin Construction:	April 2017
Complete Construction:	June 2018

COST ESTIMATE:

Construction:	\$14,057,000
Contingency:	\$2,675,000
Engineering (Planning, Design, C.M.)	\$2,530,000
Land Acquisition (easements/right-of-way)	\$1,130,000
Administrative (including environmental):	\$440,000
Legal (bonding, water rights, ROW etc)	\$168,000
Loan Origination Fee (1% DDW admin fee)	\$210,000
Water Rights Purchase	\$6,000,000
Total Cost:	\$27,210,000

COST SHARING:

<u>Funding Source</u>	<u>Funding Amount</u>	<u>Percent of Project</u>
DW Board	\$ 21,210,000	78%
Other-Water Rights	\$ 6,000,000	22%
Total Amount	\$ 27,210,000	100%

CONTACT INFORMATION:

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Juab County Wholesale Pipeline

PROPOSED BOND REPAYMENT SCHEDULE

PRINCIPAL	\$21,210,000	ANTICIPATED CLOSING DATE	01-May-17	O&M: \$500,000
INTEREST	3.63%	FIRST P&I PAYMENT DUE	01-Oct-18	
TERM	20 YRS	G.O. BOND		
NOMIN. PAYMENT	\$1,509,967			

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2017	\$21,210,000.00		\$320,801.25 *	\$0.00	\$320,801.25	\$21,210,000.00	0
2018	\$21,210,000.00		\$1,509,923.00	\$740,000.00	\$769,923.00	\$20,470,000.00	1
2019	\$20,470,000.00		\$1,510,061.00	\$767,000.00	\$743,061.00	\$19,703,000.00	2
2020	\$19,703,000.00		\$1,510,218.90	\$795,000.00	\$715,218.90	\$18,908,000.00	3
2021	\$18,908,000.00		\$1,510,360.40	\$824,000.00	\$686,360.40	\$18,084,000.00	4
2022	\$18,084,000.00		\$1,509,449.20	\$853,000.00	\$656,449.20	\$17,231,000.00	5
2023	\$17,231,000.00		\$1,509,485.30	\$884,000.00	\$625,485.30	\$16,347,000.00	6
2024	\$16,347,000.00		\$1,510,396.10	\$917,000.00	\$593,396.10	\$15,430,000.00	7
2025	\$15,430,000.00		\$1,510,109.00	\$950,000.00	\$560,109.00	\$14,480,000.00	8
2026	\$14,480,000.00		\$1,509,624.00	\$984,000.00	\$525,624.00	\$13,496,000.00	9
2027	\$13,496,000.00		\$1,509,904.80	\$1,020,000.00	\$489,904.80	\$12,476,000.00	10
2028	\$12,476,000.00		\$1,509,878.80	\$1,057,000.00	\$452,878.80	\$11,419,000.00	11
2029	\$11,419,000.00		\$1,509,509.70	\$1,095,000.00	\$414,509.70	\$10,324,000.00	12
2030	\$10,324,000.00		\$1,509,761.20	\$1,135,000.00	\$374,761.20	\$9,189,000.00	13
2031	\$9,189,000.00		\$1,510,560.70	\$1,177,000.00	\$333,560.70	\$8,012,000.00	14
2032	\$8,012,000.00		\$1,509,835.60	\$1,219,000.00	\$290,835.60	\$6,793,000.00	15
2033	\$6,793,000.00		\$1,509,585.90	\$1,263,000.00	\$246,585.90	\$5,530,000.00	16
2034	\$5,530,000.00		\$1,509,739.00	\$1,309,000.00	\$200,739.00	\$4,221,000.00	17
2035	\$4,221,000.00		\$1,510,222.30	\$1,357,000.00	\$153,222.30	\$2,864,000.00	18
2036	\$2,864,000.00		\$1,509,963.20	\$1,406,000.00	\$103,963.20	\$1,458,000.00	19
2037	\$1,458,000.00		\$1,510,925.40	\$1,458,000.00	\$52,925.40	(\$0.00)	20
			\$30,520,314.75	\$21,210,000.00	\$9,310,314.75		

*Interest Only Payment

Juab County Wholesale Pipeline

DWB Loan Terms

Local Share (total):	\$	-
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	-
DWB Loan Amount:	\$	21,210,000
DWB Loan Term:		20
DWB Loan Interest:		3.63%
DWB Loan Payment:	\$	1,509,967

DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$	21,210,000
Existing Facility O&M Expense:	\$	500,000
Proposed Facility O&M Expense:	\$	500,000
O&M Inflation Factor:		1.0%
Existing Debt Service:	\$	-

DW Revenue Projections

Yr	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	Existing DW Debt Service	O&M Expenses	Total Expenses
0	-	-	21,210,000	-	-	-	500,000	500,000
1	1,509,923	150,997	20,470,000	740,000	769,923	-	500,000	2,160,920
2	1,510,061	150,997	19,703,000	767,000	743,061	-	505,000	2,166,058
3	1,510,219	150,997	18,908,000	795,000	715,219	-	510,050	2,171,266
4	1,510,360	150,997	18,084,000	824,000	686,360	-	515,151	2,176,508
5	1,509,449	150,997	17,231,000	853,000	656,449	-	520,302	2,180,748
6	1,509,485	150,997	16,347,000	884,000	625,485	-	525,505	2,185,987
7	1,510,396	150,997	15,430,000	917,000	593,396	-	530,760	2,192,153
8	1,510,109	150,997	14,480,000	950,000	560,109	-	536,068	2,197,173
9	1,509,624	150,997	13,496,000	984,000	525,624	-	541,428	2,202,049
10	1,509,905	150,997	12,476,000	1,020,000	489,905	-	546,843	2,207,744
11	1,509,879		11,419,000	1,057,000	452,879	-	552,311	2,062,190
12	1,509,510		10,324,000	1,095,000	414,510	-	557,834	2,067,344
13	1,509,761		9,189,000	1,135,000	374,761	-	563,413	2,073,174
14	1,510,561		8,012,000	1,177,000	333,561	-	569,047	2,079,607
15	1,509,836		6,793,000	1,219,000	290,836	-	574,737	2,084,573
16	1,509,586		5,530,000	1,263,000	246,586	-	580,484	2,090,070
17	1,509,739		4,221,000	1,309,000	200,739	-	586,289	2,096,028
18	1,510,222		2,864,000	1,357,000	153,222	-	592,152	2,102,375
19	1,509,963		1,458,000	1,406,000	103,963	-	598,074	2,108,037
20	1,510,925		-	1,458,000	52,925	-	604,054	2,114,980
Total Paid in Debt Service =				<u>21,210,000</u>	<u>8,989,514</u>			

Juab County Wholesale Pipeline

PROPOSED BOND REPAYMENT SCHEDULE

PRINCIPAL	\$21,210,000	ANTICIPATED CLOSING DATE	01-May-17	O&M: \$500,000
INTEREST	2.50%	FIRST P&I PAYMENT DUE	01-Oct-18	
TERM	20 YRS	G.O. BOND		
NOMIN. PAYMENT	\$1,360,561			

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2017	\$21,210,000.00		\$220,937.50 *	\$0.00	\$220,937.50	\$21,210,000.00	0
2018	\$21,210,000.00		\$1,360,250.00	\$830,000.00	\$530,250.00	\$20,380,000.00	1
2019	\$20,380,000.00		\$1,360,500.00	\$851,000.00	\$509,500.00	\$19,529,000.00	2
2020	\$19,529,000.00		\$1,360,225.00	\$872,000.00	\$488,225.00	\$18,657,000.00	3
2021	\$18,657,000.00		\$1,360,425.00	\$894,000.00	\$466,425.00	\$17,763,000.00	4
2022	\$17,763,000.00		\$1,361,075.00	\$917,000.00	\$444,075.00	\$16,846,000.00	5
2023	\$16,846,000.00		\$1,360,150.00	\$939,000.00	\$421,150.00	\$15,907,000.00	6
2024	\$15,907,000.00		\$1,360,675.00	\$963,000.00	\$397,675.00	\$14,944,000.00	7
2025	\$14,944,000.00		\$1,360,600.00	\$987,000.00	\$373,600.00	\$13,957,000.00	8
2026	\$13,957,000.00		\$1,360,925.00	\$1,012,000.00	\$348,925.00	\$12,945,000.00	9
2027	\$12,945,000.00		\$1,360,625.00	\$1,037,000.00	\$323,625.00	\$11,908,000.00	10
2028	\$11,908,000.00		\$1,360,700.00	\$1,063,000.00	\$297,700.00	\$10,845,000.00	11
2029	\$10,845,000.00		\$1,360,125.00	\$1,089,000.00	\$271,125.00	\$9,756,000.00	12
2030	\$9,756,000.00		\$1,360,900.00	\$1,117,000.00	\$243,900.00	\$8,639,000.00	13
2031	\$8,639,000.00		\$1,360,975.00	\$1,145,000.00	\$215,975.00	\$7,494,000.00	14
2032	\$7,494,000.00		\$1,360,350.00	\$1,173,000.00	\$187,350.00	\$6,321,000.00	15
2033	\$6,321,000.00		\$1,361,025.00	\$1,203,000.00	\$158,025.00	\$5,118,000.00	16
2034	\$5,118,000.00		\$1,360,950.00	\$1,233,000.00	\$127,950.00	\$3,885,000.00	17
2035	\$3,885,000.00		\$1,360,125.00	\$1,263,000.00	\$97,125.00	\$2,622,000.00	18
2036	\$2,622,000.00		\$1,360,550.00	\$1,295,000.00	\$65,550.00	\$1,327,000.00	19
2037	\$1,327,000.00		\$1,360,175.00	\$1,327,000.00	\$33,175.00	\$0.00	20
			\$27,432,262.50	\$21,210,000.00	\$6,222,262.50		

*Interest Only Payment

Juab County Wholesale Pipeline

DWB Loan Terms

Local Share (total):	\$	-
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	-
DWB Loan Amount:	\$	21,210,000
DWB Loan Term:		20
DWB Loan Interest:		2.50%
DWB Loan Payment:	\$	1,360,561

DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$	21,210,000
Existing Facility O&M Expense:	\$	500,000
Proposed Facility O&M Expense:	\$	500,000
O&M Inflation Factor:		1.0%
Existing Debt Service:	\$	-

DW Revenue Projections

Yr	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	Existing DW Debt Service	O&M Expenses	Total Expenses
0	-	-	21,210,000	-	-	-	500,000	500,000
1	1,360,250	136,056	20,380,000	830,000	530,250	-	500,000	1,996,306
2	1,360,500	136,056	19,529,000	851,000	509,500	-	505,000	2,001,556
3	1,360,225	136,056	18,657,000	872,000	488,225	-	510,050	2,006,331
4	1,360,425	136,056	17,763,000	894,000	466,425	-	515,151	2,011,632
5	1,361,075	136,056	16,846,000	917,000	444,075	-	520,302	2,017,433
6	1,360,150	136,056	15,907,000	939,000	421,150	-	525,505	2,021,711
7	1,360,675	136,056	14,944,000	963,000	397,675	-	530,760	2,027,491
8	1,360,600	136,056	13,957,000	987,000	373,600	-	536,068	2,032,724
9	1,360,925	136,056	12,945,000	1,012,000	348,925	-	541,428	2,038,409
10	1,360,625	136,056	11,908,000	1,037,000	323,625	-	546,843	2,043,524
11	1,360,700		10,845,000	1,063,000	297,700	-	552,311	1,913,011
12	1,360,125		9,756,000	1,089,000	271,125	-	557,834	1,917,959
13	1,360,900		8,639,000	1,117,000	243,900	-	563,413	1,924,313
14	1,360,975		7,494,000	1,145,000	215,975	-	569,047	1,930,022
15	1,360,350		6,321,000	1,173,000	187,350	-	574,737	1,935,087
16	1,361,025		5,118,000	1,203,000	158,025	-	580,484	1,941,509
17	1,360,950		3,885,000	1,233,000	127,950	-	586,289	1,947,239
18	1,360,125		2,622,000	1,263,000	97,125	-	592,152	1,952,277
19	1,360,550		1,327,000	1,295,000	65,550	-	598,074	1,958,624
20	1,360,175		-	1,327,000	33,175	-	604,054	1,964,229
Total Paid in Debt Service =				<u>21,210,000</u>	<u>6,001,325</u>			

Juab County Wholesale Pipeline

PROPOSED BOND REPAYMENT SCHEDULE

PRINCIPAL	\$21,210,000	ANTICIPATED CLOSING DATE	01-May-17	O&M: \$500,000
INTEREST	2.50%	FIRST P&I PAYMENT DUE	01-Oct-18	
TERM	30 YRS	G.O. BOND		
NOMIN. PAYMENT	\$1,013,364			

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2017	\$21,210,000.00		\$220,937.50 *	\$0.00	\$220,937.50	\$21,210,000.00	0
2018	\$21,210,000.00		\$1,013,250.00	\$483,000.00	\$530,250.00	\$20,727,000.00	1
2019	\$20,727,000.00		\$1,013,175.00	\$495,000.00	\$518,175.00	\$20,232,000.00	2
2020	\$20,232,000.00		\$1,013,800.00	\$508,000.00	\$505,800.00	\$19,724,000.00	3
2021	\$19,724,000.00		\$1,013,100.00	\$520,000.00	\$493,100.00	\$19,204,000.00	4
2022	\$19,204,000.00		\$1,013,100.00	\$533,000.00	\$480,100.00	\$18,671,000.00	5
2023	\$18,671,000.00		\$1,013,775.00	\$547,000.00	\$466,775.00	\$18,124,000.00	6
2024	\$18,124,000.00		\$1,013,100.00	\$560,000.00	\$453,100.00	\$17,564,000.00	7
2025	\$17,564,000.00		\$1,013,100.00	\$574,000.00	\$439,100.00	\$16,990,000.00	8
2026	\$16,990,000.00		\$1,013,750.00	\$589,000.00	\$424,750.00	\$16,401,000.00	9
2027	\$16,401,000.00		\$1,013,025.00	\$603,000.00	\$410,025.00	\$15,798,000.00	10
2028	\$15,798,000.00		\$1,012,950.00	\$618,000.00	\$394,950.00	\$15,180,000.00	11
2029	\$15,180,000.00		\$1,013,500.00	\$634,000.00	\$379,500.00	\$14,546,000.00	12
2030	\$14,546,000.00		\$1,013,650.00	\$650,000.00	\$363,650.00	\$13,896,000.00	13
2031	\$13,896,000.00		\$1,013,400.00	\$666,000.00	\$347,400.00	\$13,230,000.00	14
2032	\$13,230,000.00		\$1,013,750.00	\$683,000.00	\$330,750.00	\$12,547,000.00	15
2033	\$12,547,000.00		\$1,013,675.00	\$700,000.00	\$313,675.00	\$11,847,000.00	16
2034	\$11,847,000.00		\$1,013,175.00	\$717,000.00	\$296,175.00	\$11,130,000.00	17
2035	\$11,130,000.00		\$1,013,250.00	\$735,000.00	\$278,250.00	\$10,395,000.00	18
2036	\$10,395,000.00		\$1,013,875.00	\$754,000.00	\$259,875.00	\$9,641,000.00	19
2037	\$9,641,000.00		\$1,013,025.00	\$772,000.00	\$241,025.00	\$8,869,000.00	20
2038	\$8,869,000.00		\$1,013,725.00	\$792,000.00	\$221,725.00	\$8,077,000.00	21
2039	\$8,077,000.00		\$1,012,925.00	\$811,000.00	\$201,925.00	\$7,266,000.00	22
2040	\$7,266,000.00		\$1,013,650.00	\$832,000.00	\$181,650.00	\$6,434,000.00	23
2041	\$6,434,000.00		\$1,012,850.00	\$852,000.00	\$160,850.00	\$5,582,000.00	24
2042	\$5,582,000.00		\$1,013,550.00	\$874,000.00	\$139,550.00	\$4,708,000.00	25
2043	\$4,708,000.00		\$1,013,700.00	\$896,000.00	\$117,700.00	\$3,812,000.00	26
2044	\$3,812,000.00		\$1,013,300.00	\$918,000.00	\$95,300.00	\$2,894,000.00	27
2045	\$2,894,000.00		\$1,013,350.00	\$941,000.00	\$72,350.00	\$1,953,000.00	28
2046	\$1,953,000.00		\$1,012,825.00	\$964,000.00	\$48,825.00	\$989,000.00	29
2047	\$989,000.00		\$1,013,725.00	\$989,000.00	\$24,725.00	\$0.00	30
			\$30,621,962.50	\$21,210,000.00	\$9,411,962.50		

*Interest Only Payment

Juab County Wholesale Pipeline

DWB Loan Terms

Local Share (total):	\$	-
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	-
DWB Loan Amount:	\$	21,210,000
DWB Loan Term:		30
DWB Loan Interest:		2.50%
DWB Loan Payment:	\$	1,013,364

DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$	21,210,000
Existing Facility O&M Expense:	\$	500,000
Proposed Facility O&M Expense:	\$	500,000
O&M Inflation Factor:		1.0%
Existing Debt Service:	\$	-

DW Revenue Projections

Yr	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	Existing DW Debt Service	O&M Expenses	Total Expenses
0	-	-	21,210,000	-	220,938	-	500,000	500,000
1	1,013,250	101,336	20,727,000	483,000	530,250	-	500,000	1,614,586
2	1,013,175	101,336	20,232,000	495,000	518,175	-	505,000	1,619,511
3	1,013,800	101,336	19,724,000	508,000	505,800	-	510,050	1,625,186
4	1,013,100	101,336	19,204,000	520,000	493,100	-	515,151	1,629,587
5	1,013,100	101,336	18,671,000	533,000	480,100	-	520,302	1,634,738
6	1,013,775	101,336	18,124,000	547,000	466,775	-	525,505	1,640,616
7	1,013,100	101,336	17,564,000	560,000	453,100	-	530,760	1,645,196
8	1,013,100	101,336	16,990,000	574,000	439,100	-	536,068	1,650,504
9	1,013,750	101,336	16,401,000	589,000	424,750	-	541,428	1,656,515
10	1,013,025	101,336	15,798,000	603,000	410,025	-	546,843	1,661,204
11	1,012,950		15,180,000	618,000	394,950	-	552,311	1,565,261
12	1,013,500		14,546,000	634,000	379,500	-	557,834	1,571,334
13	1,013,650		13,896,000	650,000	363,650	-	563,413	1,577,063
14	1,013,400		13,230,000	666,000	347,400	-	569,047	1,582,447
15	1,013,750		12,547,000	683,000	330,750	-	574,737	1,588,487
16	1,013,675		11,847,000	700,000	313,675	-	580,484	1,594,159
17	1,013,175		11,130,000	717,000	296,175	-	586,289	1,599,464
18	1,013,250		10,395,000	735,000	278,250	-	592,152	1,605,402
19	1,013,875		9,641,000	754,000	259,875	-	598,074	1,611,949
20	1,013,025		8,869,000	772,000	241,025	-	604,054	1,617,079
21	1,013,725		8,077,000	792,000	221,725	-	610,095	1,623,820
22	1,012,925		7,266,000	811,000	201,925	-	616,196	1,629,121
23	1,013,650		6,434,000	832,000	181,650	-	622,358	1,636,008
24	1,012,850		5,582,000	852,000	160,850	-	628,582	1,641,432
25	1,013,550		4,708,000	874,000	139,550	-	634,867	1,648,417
26	1,013,700		3,812,000	896,000	117,700	-	641,216	1,654,916
27	1,013,300		2,894,000	918,000	95,300	-	647,628	1,660,928
28	1,013,350		1,953,000	941,000	72,350	-	654,104	1,667,454
29	1,012,825		989,000	964,000	48,825	-	660,645	1,673,470
30	1,013,725		-	989,000	24,725	-	667,252	1,680,977
Total Paid in Debt Service =				21,210,000	9,411,963			