

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION LOAN**

APPLICANT'S REQUEST:

Corinne has a project consisting of a Radium 228 Filter System for their well source, spring rehabilitation, and transmission line. The cost of the project is estimated at \$555,500. They scored 20.6 points on the project priority list.

STAFF COMMENTS:

The local MAGI for Corinne is \$41,329 (99% of the state MAGI), but their after project water bill is 1.79% of the local MAGI. Therefore they do qualify as a hardship community to receive principle forgiveness.

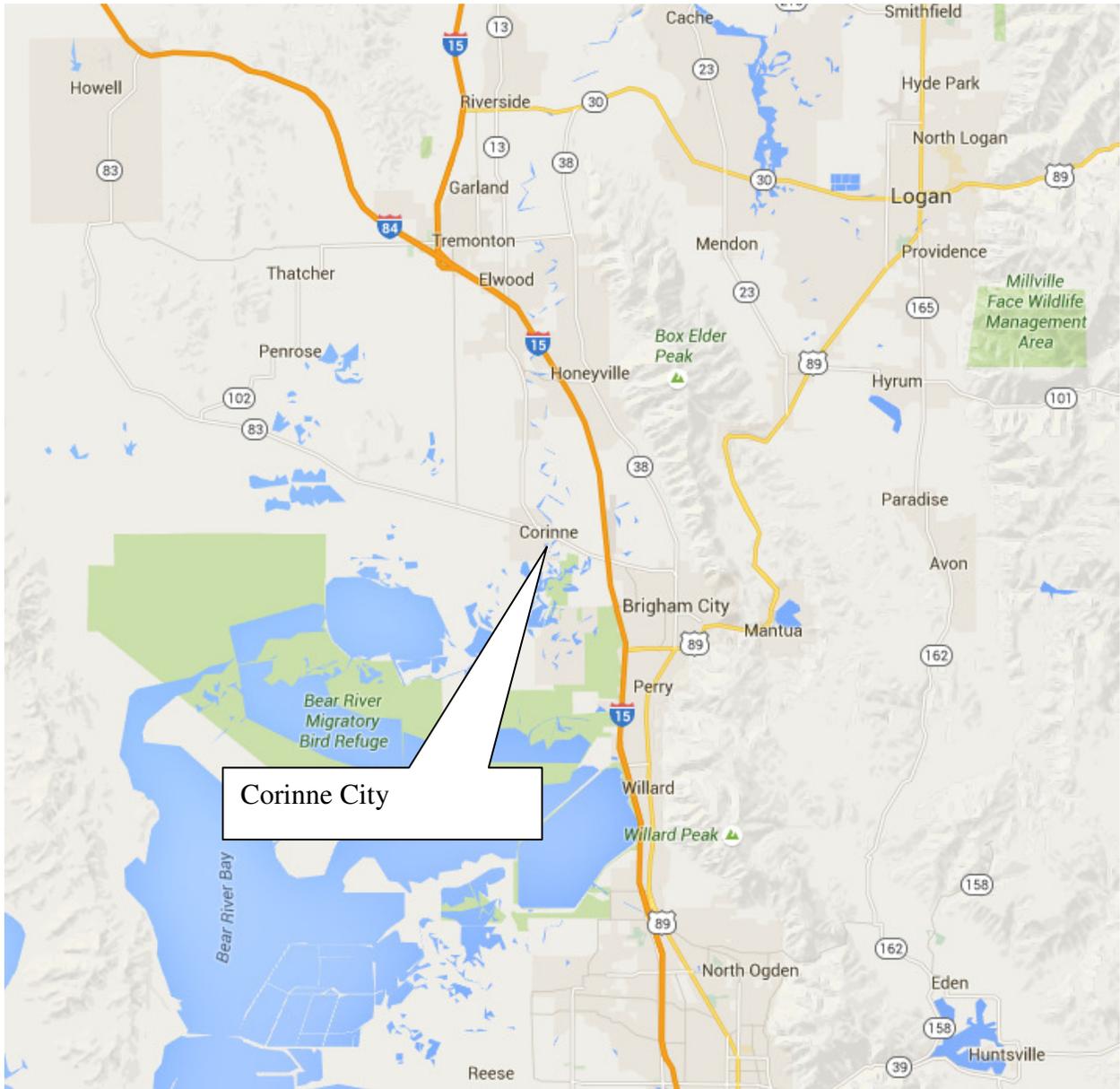
FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board to authorize \$555,500 with an interest rate of 2.85% for 20 years and \$113,500 in Principle Forgiveness. The repayable amount would be \$442,000. Conditions include that they resolve all issues on their compliance report.

APPLICANT'S LOCATION:

Corinne is located in Box Elder County approximately 6 miles west of Brigham City.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

The project consists of a Radium 228 Filter System for their well source, spring rehabilitation, and 1100-foot transmission line from their spring.

POPULATION GROWTH:

According to their application, Corinne is expected to grow at an average annual rate of 1% over the next 25 years. Projected populations and number of connections are shown in the table below:

Year	Population	Connections
2020	742	302
2025	777	304
2030	812	306
2035	847	308
2040	882	310

IMPLEMENTATION SCHEDULE:

FA Committee Conference Call:	Apr 2016
DWB Funding Authorization:	May 2016
Complete Design:	May 2016
Plan Approval:	June 2016
Advertise for Bids:	Jun 2016
Begin Construction:	July 2016
Complete Construction:	Oct? 2016

COST ESTIMATE:

Legal – Bonding, Admin	\$20,000
Engineering- Plan, Design, CMS	\$68,000
Construction	\$425,000
Contingency	\$42,500
DDW Admin Fee	\$0
Total Project Cost	\$555,500

COST ALLOCATION:

The cost allocation proposed for the project is shown below:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB Loan (2.85%, 20-yr)	\$442,000	80%
DWB Principle Forgiveness	\$113,500	20%
Self-Contribution	\$0	0%

ESTIMATED ANNUAL COST OF WATER SERVICE:

Operation and Maintenance	\$110,997
Existing DW Debt Service	\$67,927
DDW Debt Service (2.85%, 20 yrs):	\$29,298
DDW Debt Reserve (10%):	\$2,929
DDW Coverage (15%):	n/a
Replacement Reserve Account (5%):	\$9,731
Annual Cost/ERC:	\$736
Monthly Cost/ERC:	\$61.36
Cost as % MAGI:	1.78%

CONTACT INFORMATION:

APPLICANT:

Corinne City
2420 N 4000 W
Corinne, UT 84307
435-744-5566

PRESIDING OFFICIAL &
CONTACT PERSON:

Brett Merkley
Mayor
4278 Corinne Cutoff
Corinne, UT 84307
435-730-1407
brettmerkley@msn.com

CONSULTING ENGINEER:

Chris Wight
Hansens and Associates
538 N Main
Brigham City, UT 84302
435-723-3491
chrisw@haies.net

RECORDER:

Kendra Norman
435-744-5566
kendra@corinnecity.com

FINANCIAL CONSULTANT:

n/a

CITY ATTORNEY:

n/a

BOND ATTORNEY:

n/a

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Corinne
 COUNTY: Box Elder
 PROJECT DESCRIPTION: Radium 228 Filter System for their well source, spring rehabilitation, and transmission line

FUNDING SOURCE: Federal SRF

80 % Loan & 20 % P.F.

ESTIMATED POPULATION:	690	NO. OF CONNECTIONS:	300 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$59.45 *			PROJECT TOTAL:	\$555,500
CURRENT % OF AGI:	1.73%	FINANCIAL PTS:	34	LOAN AMOUNT:	\$442,000
ESTIMATED MEDIAN AGI:	\$41,329			PRINC. FORGIVE.:	\$113,500
STATE AGI:	\$41,923			TOTAL REQUEST:	\$555,500
SYSTEM % OF STATE AGI:	99%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 3.86%		AFTER REPAYMENT PENALTY & POINTS 2.85%
<u>SYSTEM</u>				
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.86%		2.85%
REQUIRED DEBT SERVICE:	\$22,100.00	\$32,121.23		\$29,298.86
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$2,210.00	\$3,212.12		\$2,929.89
ANNUAL NEW DEBT PER CONNECTION:	\$81.03	\$117.78		\$107.43
O & M + FUNDED DEPRECIATION:	\$110,997.00	\$110,997.00		\$110,997.00
OTHER DEBT + COVERAGE:	\$67,927.50	\$67,927.50		\$67,927.50
REPLACEMENT RESERVE ACCOUNT:	\$9,371.95	\$9,873.01		\$9,731.89
ANNUAL EXPENSES PER CONNECTION:	\$627.65	\$629.33		\$628.85
TOTAL SYSTEM EXPENSES	\$212,606.45	\$224,130.86		\$220,885.14
TAX REVENUE:	\$0.00	\$0.00		\$0.00
<u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$59.06	\$62.26		\$61.36
% OF ADJUSTED GROSS INCOME:	1.71%	1.81%		1.78%

* Equivalent Residential Connections

R309-700-5

Corinne
Box Elder
March 30, 2016

TABLE 2 FINANCIAL CONSIDERATIONS

	POINTS	
1. COST EFFECTIVENESS RATIO (SELECT ONE)		
A. Project cost \$0 to \$500 per benefitting connection	16	
B. \$501 to \$1,500	14	
C. \$1,501 to \$2,000	11	X
D. \$2,001 to \$3,000	8	
E. \$3,001 to \$5,000	4	
F. \$5,001 to \$10,000	1	
G. Over \$10,000	0	
	\$1,852	
2. CURRENT LOCAL MEDIAN ADJUSTED GROSS INCOME (AGI) (SELECT ONE)		
A. Less than 70% of State Median AGI	19	
B. 71 to 80% of State Median AGI	16	
C. 81 to 95% of State Median AGI	13	
D. 96 to 110% of State Median AGI	9	X
E. 111 to 130% of State Median AGI	6	
E. 131 to 150% of State Median AGI	3	
F. Greater than 150% of State Median AGI	0	
	99%	
3. PROJECT FUNDING CONTRIBUTED BY APPLICANT (SELECT ONE)		
a. Greater than 25% of project funds	17	
b. 15 to 25% of project funds	14	
c. 10 to 15% of project funds	11	
c. 5 to 10% of project funds	8	
d. 2 to 5% of project funds	4	
e. Less than 2% of project funds	0	X
	0.0%	
4. ABILITY TO REPAY LOAN		
4. WATER BILL (INCLUDING TAXES) AFTER PROJECT IS BUILT RELATIVE TO LOCAL MEDIAN ADJUSTED GROSS INCOME (SELECT ONE)		
a. Greater than 2.50% of local median AGI	16	
b. 2.01 to 2.50% of local median AGI	12	
c. 1.51 to 2.00% of local median AGI	8	X
d. 1.01 to 1.50% of local median AGI	3	
e. 0 to 1.00% of local median AGI	0	
	1.78%	
5. SPECIAL INCENTIVE POINTS Applicant: (Mark all that apply)		
A. has a replacement fund receiving annual deposits of 5% of the system's drinking water budget been established, and has already accumulated a minimum of 10% of said annual DW budget in this reserve fund.	5	
B. Has a replacement fund equal to at least 15% or 20% of annual DW budget.	5	
C. Is creating or enhancing a regionalization plan	16	
D. Has a rate structure encouraging conservation	6	X
TOTAL POINTS FOR FINANCIAL NEED	34	
TOTAL POSSIBLE POINTS FOR FINANCIAL NEED	100	

Corinne

PROPOSED BOND REPAYMENT SCHEDULE

80 % Loan & 20 % P.F.

PRINCIPAL	\$442,000.00	ANTICIPATED CLOSING DATE	15-Aug-16
INTEREST	2.85%	FIRST P&I PAYMENT DUE	15-Aug-18
TERM	20	REVENUE BOND	
NOMIN. PAYMENT	\$29,298.86	PRINC. FORGIVE.:	\$113,500.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2017	\$442,000.00		\$12,597.00 *	\$0.00	\$12,597.00	\$442,000.00	0
2018	\$442,000.00		\$29,597.00	\$17,000.00	\$12,597.00	\$425,000.00	1
2019	\$425,000.00		\$29,112.50	\$17,000.00	\$12,112.50	\$408,000.00	2
2020	\$408,000.00		\$29,628.00	\$18,000.00	\$11,628.00	\$390,000.00	3
2021	\$390,000.00		\$29,115.00	\$18,000.00	\$11,115.00	\$372,000.00	4
2022	\$372,000.00		\$29,602.00	\$19,000.00	\$10,602.00	\$353,000.00	5
2023	\$353,000.00		\$29,060.50	\$19,000.00	\$10,060.50	\$334,000.00	6
2024	\$334,000.00		\$29,519.00	\$20,000.00	\$9,519.00	\$314,000.00	7
2025	\$314,000.00		\$28,949.00	\$20,000.00	\$8,949.00	\$294,000.00	8
2026	\$294,000.00		\$29,379.00	\$21,000.00	\$8,379.00	\$273,000.00	9
2027	\$273,000.00		\$28,780.50	\$21,000.00	\$7,780.50	\$252,000.00	10
2028	\$252,000.00		\$29,182.00	\$22,000.00	\$7,182.00	\$230,000.00	11
2029	\$230,000.00		\$29,555.00	\$23,000.00	\$6,555.00	\$207,000.00	12
2030	\$207,000.00		\$28,899.50	\$23,000.00	\$5,899.50	\$184,000.00	13
2031	\$184,000.00		\$29,244.00	\$24,000.00	\$5,244.00	\$160,000.00	14
2032	\$160,000.00		\$29,560.00	\$25,000.00	\$4,560.00	\$135,000.00	15
2033	\$135,000.00		\$29,847.50	\$26,000.00	\$3,847.50	\$109,000.00	16
2034	\$109,000.00		\$29,106.50	\$26,000.00	\$3,106.50	\$83,000.00	17
2035	\$83,000.00		\$29,365.50	\$27,000.00	\$2,365.50	\$56,000.00	18
2036	\$56,000.00		\$29,596.00	\$28,000.00	\$1,596.00	\$28,000.00	19
2037	\$28,000.00		\$28,798.00	\$28,000.00	\$798.00	\$0.00	20
			\$598,493.50	\$442,000.00	\$156,493.50		

*Interest Only Payment

Corinne

DWB Loan Terms

Local Share (total):	\$	-
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	113,500
DWB Loan Amount:	\$	442,000
DWB Loan Term:		20
DWB Loan Interest:		2.85%
DWB Loan Payment:	\$	29,299

DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$	555,500
Existing Facility O&M Expense:	\$	77,497
Proposed Facility O&M Expense:	\$	77,497
O&M Inflation Factor:		1.0%
Existing Debt Service:	\$	54,342

DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		300
Projected Growth Rate:		1.0%
Impact Fee/Connection Fee:	\$	5,000
Current Monthly User Charge:	\$	59.45
Needed Average Monthly User Charge:	\$	61.36

DW Revenue Projections

Yr	Growth Rate (%)	Annual Growth (ERC)	Total Users (ERC)	User Charge Revenue	Impact Fee Revenue	Property Tax Revenue	Total Revenue	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	Existing DW Debt Service	O&M Expenses	Total Expenses	Debt Service Ratio
0	1.0%	3	300	214,023	15,000	-	229,023	-	-	442,000	-	-	54,342	77,497	131,839	-
1	1.0%	3	303	223,094	15,000	-	238,094	29,597	2,930	425,000	17,000	12,597	54,342	77,497	164,366	1.91
2	1.0%	3	306	225,303	15,000	-	240,303	29,113	2,930	408,000	17,000	12,113	54,342	78,272	164,656	1.94
3	1.0%	3	309	227,512	15,000	-	242,512	29,628	2,930	390,000	18,000	11,628	54,342	79,055	165,955	1.95
4	1.0%	3	312	229,721	15,000	-	244,721	29,115	2,930	372,000	18,000	11,115	54,342	79,845	166,232	1.98
5	1.0%	3	315	231,929	15,000	-	246,929	29,602	2,930	353,000	19,000	10,602	54,342	80,644	167,518	1.98
6	1.0%	3	318	234,138	15,000	-	249,138	29,061	2,930	334,000	19,000	10,061	54,342	81,450	167,783	2.01
7	1.0%	4	322	237,083	20,000	-	257,083	29,519	2,930	314,000	20,000	9,519	54,342	82,265	169,056	2.08
8	1.0%	3	325	239,292	15,000	-	254,292	28,949	2,930	294,000	20,000	8,949	54,342	83,087	169,308	2.06
9	1.0%	3	328	241,501	15,000	-	256,501	29,379	2,930	273,000	21,000	8,379	54,342	83,918	170,569	2.06
10	1.0%	3	331	243,710	15,000	-	258,710	28,781	2,930	252,000	21,000	7,781	54,342	84,757	170,810	2.09
11	1.0%	4	335	246,655	20,000	-	266,655	29,182		230,000	22,000	7,182	54,342	85,605	169,129	2.17
12	1.0%	3	338	248,864	15,000	-	263,864	29,555		207,000	23,000	6,555	54,342	86,461	170,358	2.11
13	1.0%	3	341	251,073	15,000	-	266,073	28,900		184,000	23,000	5,900	54,342	87,326	170,567	2.15
14	1.0%	4	345	254,018	20,000	-	274,018	29,244		160,000	24,000	5,244	54,342	88,199	171,785	2.22
15	1.0%	3	348	256,227	15,000	-	271,227	29,560		135,000	25,000	4,560	54,342	89,081	172,983	2.17
16	1.0%	4	352	259,172	20,000	-	279,172	29,848		109,000	26,000	3,848	54,342	89,972	174,161	2.25
17	1.0%	3	355	261,381	15,000	-	276,381	29,107		83,000	26,000	3,107	54,342	90,871	174,320	2.22
18	1.0%	4	359	264,326	20,000	-	284,326	29,366		56,000	27,000	2,366	54,342	91,780	175,488	2.30
19	1.0%	3	362	266,535	15,000	-	281,535	29,596		28,000	28,000	1,596	54,342	92,698	176,636	2.25
20	1.0%	4	366	269,480	20,000	-	289,480	28,798		-	28,000	798	54,342	93,625	176,765	2.36

Total Paid in Debt Service = 442,000 143,897

Public Water System Custom Report

Corinne City

PWS ID: UTAH02005

Rating: Approved

12/04/1995

Status: Active

Contacts

Type: Administrative
 Contact
 Name: KELLY T
 NICHOLAS
 Office: 435-744-5566
 Emergency:
 Email:
 KTNCCC@HOTMAIL.COM

Site Information

Address: PO BOX 118 ,
 CORINNE, UT 84307
 Phone: 435-744-5566
 County: BOX ELDER
 COUNTY
 System Type: Community
 Population: 690

Site Updates

Last Inventory Update:
 08/15/2014
 Last Surveyor Update:
 07/29/2014
 Surveyor: TAMMY
 NORTH
 Operating Period: 1/1 -
 12/31
 Last IPS Update:
 05/02/2016 07:00:00

Consumptive Use Zone

Irrigation Zone: 4
 Date: 02/15/2013

IPS SUMMARY

Total IPS Points	Admin & Physical Facilities	Quality & Monitoring	Operator Certifications	Significant Deficiency Violations
23	-7	30	0	0

PHYSICAL FACILITY POINTS

Code	Description	Severity	Points Effective	Details	
M001	CURRENT EMERGENCY RESPONSE PROGRAM	REC	-10	Hide Details (1)	
Facility	comments	Status	Determined Date	Point Not Effective	Point Assessed
			07/29/2014		-10
V010	STORAGE FACILITY LACKS PROPER SHOEBOX ACCESS	MIN	3	Hide Details (1)	
Facility	comments	Status	Determined Date	Point Not Effective	Point Assessed
ST001	SMALL TANK	Active	07/29/2014		3

Total Effective Points: -7

CHEMICAL MONITORING RULE VIOLATIONS

Facility	Violation No	Period	Code	Violation Type	Analyte Group	Determined	Seasonality	Points Effective
WS003	2015-4104532	03/18/2015 - 03/18/2017	02	MCL, AVERAGE	RRAD	03/18/2015	S	30

Total Effective Points: 30

IPS COMPLIANCE SCHEDULES

Type	Required Activities	Severity	Created	Due
Bilateral Compliance Agreement	DELIVER AND PROOF OF PN		03/18/2015	06/30/2015
Bilateral Compliance Agreement	DELIVER AND PROOF OF PN		03/18/2015	09/30/2015
Bilateral Compliance Agreement	INSTALL TREATMENT		03/18/2015	03/01/2017
Bilateral Compliance Agreement	ENGR SUBMIT PLANS AND SPECS		03/18/2015	12/31/2015
Bilateral Compliance Agreement	DELIVER AND PROOF OF PN		03/18/2015	12/31/2015