

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

**APPLICANT’S REQUEST:**

The Town of Springdale is requesting financial assistance in the amount of \$5,508,350 to construct a new surface water treatment plant and refinance an outstanding Division of Water Resources Loan with a balance of \$561,000. The total cost of the project, including the outstanding balance of the existing loan, is expected to be \$5,654,000 and they will contribute \$145,650 towards the project. They scored 72.3 points on the project priority list.

**STAFF COMMENTS:**

The Drinking Water Board authorized a \$19,000 planning grant to create a Master Plan in 2008, a \$2M loan and \$769k grant for a tank and waterline project in 2010 and a \$40,000 grant to update their Master Plan in 2015. The need for a new surface water treatment plant was identified in the 2015 Master Plan. It will include a new treatment plant with increased capacity and solution for current system deficiencies.

The local MAGI for Springdale is \$30,483, which is 75% of the State MAGI. The average residential water bill for Springdale, including an average secondary irrigation bill of \$4.65, is approximately \$46 per month, which is 1.80% of local MAGI. With a full loan at the calculated interest rate of 2.11% for 20 years, Springdale would need to increase their average water bill to approximately \$89/ERC which is 3.49% of their local MAGI. Based on this information, Springdale qualifies for additional subsidization.

The following options were evaluated:

	Total Funding	Principal Forgiveness	Loan	Term	Interest Rate	Water Bill	% of Local MAGI
Option 1	\$5,508,350	\$1,101,350	\$4,407,000	20 yrs	2.11%	\$82.39	3.24%
Option 2	\$5,508,350	\$1,652,350	\$3,856,000	30 yrs	1.50%	\$72.32	2.85%
Option 3	\$5,508,350	\$2,203,356	\$3,305,000	30 yrs	1.0%	\$69.78	2.75%
Option 4	\$5,508,350	\$1,652,350	\$3,856,000	30 yrs	1.25%	\$71.83	2.83%

Option 4 was added after the Financial Assistance Committee recommendation was made. Springdale has requested that this option be considered. The City provided additional information demonstrating their commitment and support for a collaboration

The Town of Springdale

May 13, 2016

Page 2

between the Towns of Springdale and Rockville for culinary water treatment and supply. This demonstrates a regionalization plan, which qualifies them for further reduction in interest rate.

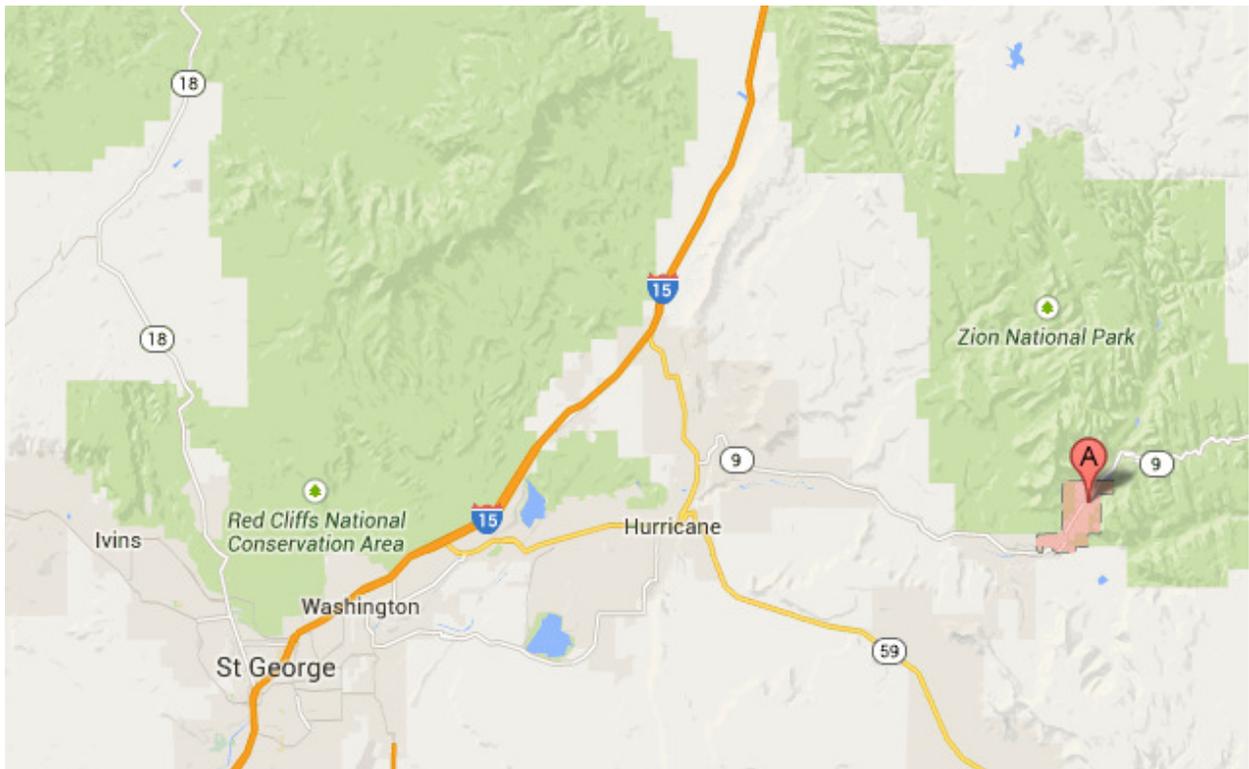
**FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:**

**The Drinking Water Board authorize a loan of \$5,508,350 at 1.50% interest for 30 years with \$1,652,350 in principal forgiveness to the Town of Springdale.**

**APPLICANT'S LOCATION:**

Springdale is located in Washington County, 40 miles east of St George.

**MAP OF APPLICANT'S LOCATION:**



**PROJECT DESCRIPTION:**

The 2015 Culinary Water Master Plan evaluated the need and alternatives to address the deficiencies in their current surface water treatment plant. There are numerous operational challenges and deficiencies with the existing treatment plant. One of the primary concerns is that the current facility only includes a single train or pathway for water to be treated, with no redundancy. There are no other sources which can be immediately utilized, if the plant needed to be taken out of service for maintenance, which is a major concern without having redundant treatment trains in their plant. Additionally, incoming turbidity from the Virgin River has been a challenge with their current plant configuration.

A conventional treatment package plant with at least two trains is planned to be installed. This would require at least two skids to be installed to run in parallel. Additionally, pretreatment will be installed to reduce incoming turbidity. A Granular Activated Carbon process will be added to the end of the treatment plant to address complaints regarding odor and taste of the Town's water. The current treatment plant was constructed in the 1980's and experiences numerous problems related to aging components.

**POPULATION GROWTH:**

According to the Utah State Governor's Office of Planning and Budgeting, the anticipated growth rate for the Town of Springdale is approximately 2.5% per year over the next 20 years

	<u>Year</u>	<u>Population</u>
Current:	2016	572
Projected:	2040	1,399

**IMPLEMENTATION SCHEDULE:**

Apply to DWB for Construction Funds:	March 2016
SRF Committee Conference Call:	April 2016
DWB Funding Authorization:	May 2016
Advertise Environmental Assessment:	August 2016
Complete Design:	February 2017
Plan Approval:	February 2017
Advertise for Bids:	February 2017
Bid Opening:	March 2017
Loan Closing:	March 2017
Begin Construction:	April 2017
Complete Construction:	November 2017
Receive Operating Permit:	December 2017

**COST ESTIMATE:**

Legal and Bonding	\$16,000
Administrative	\$70,000
Environmental	\$30,000
Engineering	\$685,500
WR Loan Refinance	\$561,000
Construction	\$3,731,500
Contingency	<u>\$560,000</u>
<b>Total Project Cost</b>	<b>\$5,654,000</b>

**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 (1.5%, 30-yrs)	\$3,856,000	68%
DWB Grant	\$1,652,350	29%
Local Contribution	<u>\$145,650</u>	<u>3%</u>
Total Amount	\$5,654,000	100%

**ESTIMATED ANNUAL COST OF WATER SERVICE:**

Operation and Maintenance plus Depreciation: \$565,246  
Existing DW Debt Service: \$82,500  
Replacement Reserve Account: \$39,590.34  
Annual Cost/ERC: \$820.89  
Monthly Cost/ERC: \$72.32/ERC (includes irrigation bill)  
Cost as % MAGI: 2.85%

The Town of Springdale

May 13, 2016

Page 6

APPLICANT:

Town of Springdale  
118 Lion Blvd. PO Box 187  
Springdale UT 84767  
Telephone: (435) 772-3434

PRESIDING OFFICIAL &  
CONTACT PERSON:

Stan Smith  
Mayor  
118 Lion Blvd. PO Box 187  
Springdale UT 84767  
Telephone: (435) 772-3434  
Email: Springdale@infowest.com

CONSULTING ENGINEER:

Dustyn Shaffer  
Sunrise Engineering  
11 North 300 West  
Washington, UT 84780  
(435) 652-8450  
dshaffer@sunrise-eng.com

RECORDER:

Dawn Brecke  
(435) 772-3434  
dawnsanders@infowest.com

## DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Springdale  
 COUNTY: Washington  
 PROJECT DESCRIPTION: Treatment Plant

FUNDING SOURCE: Federal SRF

### 70 % Loan & 30 % P.F.

ESTIMATED POPULATION:	572	NO. OF CONNECTIONS:	1064 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$45.66 *			PROJECT TOTAL:	\$5,654,000
CURRENT % OF AGI:	1.80%	FINANCIAL PTS:	53	LOAN AMOUNT:	\$3,856,000
ESTIMATED MEDIAN AGI:	\$30,483			PRINC. FORGIVE.:	\$1,652,350
STATE AGI:	\$40,489			TOTAL REQUEST:	\$5,508,350
SYSTEM % OF STATE AGI:	75%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 3.86%		AFTER REPAYMENT PENALTY & POINTS 1.50%
<b><u>SYSTEM</u></b>				
ASSUMED LENGTH OF DEBT, YRS:	30	30		30
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.86%		1.50%
REQUIRED DEBT SERVICE:	\$128,533.33	\$219,217.91		\$160,560.71
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$12,853.33	\$21,921.79		\$16,056.07
<b>ANNUAL NEW DEBT PER CONNECTION:</b>	<b>\$132.88</b>	<b>\$226.64</b>		<b>\$165.99</b>
O & M + FUNDED DEPRECIATION:	\$565,246.00	\$565,246.00		\$565,246.00
OTHER DEBT + COVERAGE:	\$82,500.00	\$82,500.00		\$82,500.00
REPLACEMENT RESERVE ACCOUNT:	\$37,988.97	\$42,523.20		\$39,590.34
<b>ANNUAL EXPENSES PER CONNECTION:</b>	<b>\$644.49</b>	<b>\$648.75</b>		<b>\$645.99</b>
TOTAL SYSTEM EXPENSES	\$827,121.63	\$931,408.89		\$863,953.12
TAX REVENUE:	\$0.00	\$0.00		\$0.00
<b><u>RESIDENCE</u></b>				
MONTHLY NEEDED WATER BILL:	\$69.43	\$77.60		\$72.32
% OF ADJUSTED GROSS INCOME:	2.73%	3.05%		2.85%

\* Equivalent Residential Connections

# R309-700-5

Springdale  
Washington  
March 17, 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	
D. \$2,001 to \$3,000	8	
E. \$3,001 to \$5,000	4	
F. \$5,001 to \$10,000	1	X
G. Over \$10,000	0	
	\$5,314	
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	X
C. 81 to 95% of State Median AGI	13	
D. 96 to 110% of State Median AGI	9	
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	
	75%	
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	X
e. Less than 2% of project funds	0	
	2.6%	
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	X
b. 2.01 to 2.50% of local median AGI	12	
c. 1.51 to 2.00% of local median AGI	8	
d. 1.01 to 1.50% of local median AGI	3	
e. 0 to 1.00% of local median AGI	0	
	2.85%	
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	X
B. Has a replacement fund equal to at least 15% or 20% of annual DW budget.	5	X
C. Is creating or enhancing a regionalization plan	16	
D. Has a rate structure encouraging conservation	6	X
<b>TOTAL POINTS FOR FINANCIAL NEED</b>	<b>53</b>	
<b>TOTAL POSSIBLE POINTS FOR FINANCIAL NEED</b>	<b>100</b>	

## Springdale

PROPOSED BOND REPAYMENT SCHEDULE

70 % Loan & 30 % P.F.

PRINCIPAL	\$3,856,000.00	ANTICIPATED CLOSING DATE	01-Mar-17
INTEREST	1.50%	FIRST P&I PAYMENT DUE	01-Jan-18
TERM	30	REVENUE BOND	
NOMIN. PAYMENT	\$160,560.71	PRINC. FORGIVE.:	\$1,652,350.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2017	\$3,856,000.00		(\$9,640.00) *	\$0.00	(\$9,640.00)	\$3,856,000.00	0
2018	\$3,856,000.00		\$160,840.00	\$103,000.00	\$57,840.00	\$3,753,000.00	1
2019	\$3,753,000.00		\$160,295.00	\$104,000.00	\$56,295.00	\$3,649,000.00	2
2020	\$3,649,000.00		\$160,735.00	\$106,000.00	\$54,735.00	\$3,543,000.00	3
2021	\$3,543,000.00		\$160,145.00	\$107,000.00	\$53,145.00	\$3,436,000.00	4
2022	\$3,436,000.00		\$160,540.00	\$109,000.00	\$51,540.00	\$3,327,000.00	5
2023	\$3,327,000.00		\$160,905.00	\$111,000.00	\$49,905.00	\$3,216,000.00	6
2024	\$3,216,000.00		\$160,240.00	\$112,000.00	\$48,240.00	\$3,104,000.00	7
2025	\$3,104,000.00		\$160,560.00	\$114,000.00	\$46,560.00	\$2,990,000.00	8
2026	\$2,990,000.00		\$160,850.00	\$116,000.00	\$44,850.00	\$2,874,000.00	9
2027	\$2,874,000.00		\$160,110.00	\$117,000.00	\$43,110.00	\$2,757,000.00	10
2028	\$2,757,000.00		\$160,355.00	\$119,000.00	\$41,355.00	\$2,638,000.00	11
2029	\$2,638,000.00		\$160,570.00	\$121,000.00	\$39,570.00	\$2,517,000.00	12
2030	\$2,517,000.00		\$160,755.00	\$123,000.00	\$37,755.00	\$2,394,000.00	13
2031	\$2,394,000.00		\$160,910.00	\$125,000.00	\$35,910.00	\$2,269,000.00	14
2032	\$2,269,000.00		\$161,035.00	\$127,000.00	\$34,035.00	\$2,142,000.00	15
2033	\$2,142,000.00		\$160,130.00	\$128,000.00	\$32,130.00	\$2,014,000.00	16
2034	\$2,014,000.00		\$160,210.00	\$130,000.00	\$30,210.00	\$1,884,000.00	17
2035	\$1,884,000.00		\$160,260.00	\$132,000.00	\$28,260.00	\$1,752,000.00	18
2036	\$1,752,000.00		\$160,280.00	\$134,000.00	\$26,280.00	\$1,618,000.00	19
2037	\$1,618,000.00		\$160,270.00	\$136,000.00	\$24,270.00	\$1,482,000.00	20
2038	\$1,482,000.00		\$160,230.00	\$138,000.00	\$22,230.00	\$1,344,000.00	21
2039	\$1,344,000.00		\$161,160.00	\$141,000.00	\$20,160.00	\$1,203,000.00	22
2040	\$1,203,000.00		\$161,045.00	\$143,000.00	\$18,045.00	\$1,060,000.00	23
2041	\$1,060,000.00		\$160,900.00	\$145,000.00	\$15,900.00	\$915,000.00	24
2042	\$915,000.00		\$160,725.00	\$147,000.00	\$13,725.00	\$768,000.00	25
2043	\$768,000.00		\$160,520.00	\$149,000.00	\$11,520.00	\$619,000.00	26
2044	\$619,000.00		\$160,285.00	\$151,000.00	\$9,285.00	\$468,000.00	27
2045	\$468,000.00		\$161,020.00	\$154,000.00	\$7,020.00	\$314,000.00	28
2046	\$314,000.00		\$160,710.00	\$156,000.00	\$4,710.00	\$158,000.00	29
2047	\$158,000.00		\$160,370.00	\$158,000.00	\$2,370.00	\$0.00	30
			\$4,807,320.00	\$3,856,000.00	\$951,320.00		

\*Interest Only Payment

# Springdale

## DWB Loan Terms

Local Share (total):	\$	145,650
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	1,652,350
DWB Loan Amount:	\$	3,856,000
DWB Loan Term:		30
DWB Loan Interest:		<b>1.50%</b>
DWB Loan Payment:	\$	160,561

## DW Expenses (Estimated)

Proposed Facility Capital Cost:	#VALUE!
Existing Facility O&M Expense:	\$ 565,246
Proposed Facility O&M Expense:	\$ 565,246
O&M Inflation Factor:	<b>1.0%</b>
Existing Debt Service:	\$ 66,000

## DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		1,064
Projected Growth Rate:		<b>1.0%</b>
Impact Fee/Connection Fee:	\$	5,000
Current Monthly User Charge:	\$	41.01
Needed Average Monthly User Charge:	\$	67.67

## 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%	11	1,064	523,632	55,000	-	578,632	-	-	3,856,000	-	-	66,000	565,246	631,246	-
1	1.0%	11	1,075	872,885	55,000	-	927,885	<b>160,840</b>	<b>16,056</b>	3,753,000	103,000	57,840	66,000	565,246	808,142	1.60
2	1.0%	10	1,085	881,005	50,000	-	931,005	<b>160,295</b>	<b>16,056</b>	3,649,000	104,000	56,295	66,000	570,898	813,250	1.59
3	1.0%	11	1,096	889,937	55,000	-	944,937	<b>160,735</b>	<b>16,056</b>	3,543,000	106,000	54,735	66,000	576,607	819,399	1.62
4	1.0%	11	1,107	898,869	55,000	-	953,869	<b>160,145</b>	<b>16,056</b>	3,436,000	107,000	53,145	66,000	582,374	824,575	1.64
5	1.0%	11	1,118	907,800	55,000	-	962,800	<b>160,540</b>	<b>16,056</b>	3,327,000	109,000	51,540	66,000	588,197	830,793	1.65
6	1.0%	11	1,129	916,732	55,000	-	971,732	<b>160,905</b>	<b>16,056</b>	3,216,000	111,000	49,905	66,000	594,079	837,040	1.66
7	1.0%	12	1,141	926,476	60,000	-	986,476	<b>160,240</b>	<b>16,056</b>	3,104,000	112,000	48,240	66,000	600,020	842,316	1.71
8	1.0%	11	1,152	935,408	55,000	-	990,408	<b>160,560</b>	<b>16,056</b>	2,990,000	114,000	46,560	66,000	606,020	848,636	1.70
9	1.0%	12	1,164	945,152	60,000	-	1,005,152	<b>160,850</b>	<b>16,056</b>	2,874,000	116,000	44,850	66,000	612,080	854,986	1.73
10	1.0%	11	1,175	954,084	55,000	-	1,009,084	<b>160,110</b>	<b>16,056</b>	2,757,000	117,000	43,110	66,000	618,201	860,367	1.73
11	1.0%	12	1,187	963,827	60,000	-	1,023,827	<b>160,355</b>		2,638,000	119,000	41,355	66,000	624,383	850,738	1.76
12	1.0%	12	1,199	973,571	60,000	-	1,033,571	<b>160,570</b>		2,517,000	121,000	39,570	66,000	630,627	857,197	1.78
13	1.0%	12	1,211	983,315	60,000	-	1,043,315	<b>160,755</b>		2,394,000	123,000	37,755	66,000	636,933	863,688	1.79
14	1.0%	12	1,223	993,059	60,000	-	1,053,059	<b>160,910</b>		2,269,000	125,000	35,910	66,000	643,303	870,213	1.81
15	1.0%	12	1,235	1,002,803	60,000	-	1,062,803	<b>161,035</b>		2,142,000	127,000	34,035	66,000	649,736	876,771	1.82
16	1.0%	13	1,248	1,013,359	65,000	-	1,078,359	<b>160,130</b>		2,014,000	128,000	32,130	66,000	656,233	882,363	1.87
17	1.0%	12	1,260	1,023,102	60,000	-	1,083,102	<b>160,210</b>		1,884,000	130,000	30,210	66,000	662,795	889,005	1.86
18	1.0%	13	1,273	1,033,658	65,000	-	1,098,658	<b>160,260</b>		1,752,000	132,000	28,260	66,000	669,423	895,683	1.90
19	1.0%	12	1,285	1,043,402	60,000	-	1,103,402	<b>160,280</b>		1,618,000	134,000	26,280	66,000	676,118	902,398	1.89
20	1.0%	13	1,298	1,053,958	65,000	-	1,118,958	<b>160,270</b>		1,482,000	136,000	24,270	66,000	682,879	909,149	1.93

Total Paid in Debt Service = 2,374,000 835,995

## DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Springdale  
 COUNTY: Washington  
 PROJECT DESCRIPTION: Treatment Plant

FUNDING SOURCE: Federal SRF

**70 % Loan & 30 % P.F.**

ESTIMATED POPULATION:	572	NO. OF CONNECTIONS:	1064 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$45.66 *			PROJECT TOTAL:	\$5,654,000
CURRENT % OF AGI:	1.80%	FINANCIAL PTS:	53	LOAN AMOUNT:	\$3,856,000
ESTIMATED MEDIAN AGI:	\$30,483			PRINC. FORGIVE.:	\$1,652,350
STATE AGI:	\$40,489			TOTAL REQUEST:	\$5,508,350
SYSTEM % OF STATE AGI:	75%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 3.86%		AFTER REPAYMENT PENALTY & POINTS 1.25%
<b><u>SYSTEM</u></b>				
ASSUMED LENGTH OF DEBT, YRS:	30	30		30
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.86%		1.25%
REQUIRED DEBT SERVICE:	\$128,533.33	\$219,217.91		\$154,928.46
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$12,853.33	\$21,921.79		\$15,492.85
<b>ANNUAL NEW DEBT PER CONNECTION:</b>	<b>\$132.88</b>	<b>\$226.64</b>		<b>\$160.17</b>
O & M + FUNDED DEPRECIATION:	\$565,246.00	\$565,246.00		\$565,246.00
OTHER DEBT + COVERAGE:	\$82,500.00	\$82,500.00		\$82,500.00
REPLACEMENT RESERVE ACCOUNT:	\$37,988.97	\$42,523.20		\$39,308.72
<b>ANNUAL EXPENSES PER CONNECTION:</b>	<b>\$644.49</b>	<b>\$648.75</b>		<b>\$645.73</b>
TOTAL SYSTEM EXPENSES	\$827,121.63	\$931,408.89		\$857,476.03
TAX REVENUE:	\$0.00	\$0.00		\$0.00
<b><u>RESIDENCE</u></b>				
MONTHLY NEEDED WATER BILL:	\$69.43	\$77.60		\$71.81
% OF ADJUSTED GROSS INCOME:	2.73%	3.05%		2.83%

\* Equivalent Residential Connections

## Springdale

PROPOSED BOND REPAYMENT SCHEDULE

70 % Loan & 30 % P.F.

PRINCIPAL	\$3,856,000.00	ANTICIPATED CLOSING DATE	01-Mar-17
INTEREST	1.25%	FIRST P&I PAYMENT DUE	01-Jan-18
TERM	30	REVENUE BOND	
NOMIN. PAYMENT	\$154,928.46	PRINC. FORGIVE.:	\$1,652,350.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2017	\$3,856,000.00		(\$8,033.33) *	\$0.00	(\$8,033.33)	\$3,856,000.00	0
2018	\$3,856,000.00		\$155,200.00	\$107,000.00	\$48,200.00	\$3,749,000.00	1
2019	\$3,749,000.00		\$154,862.50	\$108,000.00	\$46,862.50	\$3,641,000.00	2
2020	\$3,641,000.00		\$154,512.50	\$109,000.00	\$45,512.50	\$3,532,000.00	3
2021	\$3,532,000.00		\$155,150.00	\$111,000.00	\$44,150.00	\$3,421,000.00	4
2022	\$3,421,000.00		\$154,762.50	\$112,000.00	\$42,762.50	\$3,309,000.00	5
2023	\$3,309,000.00		\$155,362.50	\$114,000.00	\$41,362.50	\$3,195,000.00	6
2024	\$3,195,000.00		\$154,937.50	\$115,000.00	\$39,937.50	\$3,080,000.00	7
2025	\$3,080,000.00		\$154,500.00	\$116,000.00	\$38,500.00	\$2,964,000.00	8
2026	\$2,964,000.00		\$155,050.00	\$118,000.00	\$37,050.00	\$2,846,000.00	9
2027	\$2,846,000.00		\$154,575.00	\$119,000.00	\$35,575.00	\$2,727,000.00	10
2028	\$2,727,000.00		\$155,087.50	\$121,000.00	\$34,087.50	\$2,606,000.00	11
2029	\$2,606,000.00		\$154,575.00	\$122,000.00	\$32,575.00	\$2,484,000.00	12
2030	\$2,484,000.00		\$155,050.00	\$124,000.00	\$31,050.00	\$2,360,000.00	13
2031	\$2,360,000.00		\$154,500.00	\$125,000.00	\$29,500.00	\$2,235,000.00	14
2032	\$2,235,000.00		\$154,937.50	\$127,000.00	\$27,937.50	\$2,108,000.00	15
2033	\$2,108,000.00		\$155,350.00	\$129,000.00	\$26,350.00	\$1,979,000.00	16
2034	\$1,979,000.00		\$154,737.50	\$130,000.00	\$24,737.50	\$1,849,000.00	17
2035	\$1,849,000.00		\$155,112.50	\$132,000.00	\$23,112.50	\$1,717,000.00	18
2036	\$1,717,000.00		\$155,462.50	\$134,000.00	\$21,462.50	\$1,583,000.00	19
2037	\$1,583,000.00		\$154,787.50	\$135,000.00	\$19,787.50	\$1,448,000.00	20
2038	\$1,448,000.00		\$155,100.00	\$137,000.00	\$18,100.00	\$1,311,000.00	21
2039	\$1,311,000.00		\$155,387.50	\$139,000.00	\$16,387.50	\$1,172,000.00	22
2040	\$1,172,000.00		\$154,650.00	\$140,000.00	\$14,650.00	\$1,032,000.00	23
2041	\$1,032,000.00		\$154,900.00	\$142,000.00	\$12,900.00	\$890,000.00	24
2042	\$890,000.00		\$155,125.00	\$144,000.00	\$11,125.00	\$746,000.00	25
2043	\$746,000.00		\$155,325.00	\$146,000.00	\$9,325.00	\$600,000.00	26
2044	\$600,000.00		\$154,500.00	\$147,000.00	\$7,500.00	\$453,000.00	27
2045	\$453,000.00		\$154,662.50	\$149,000.00	\$5,662.50	\$304,000.00	28
2046	\$304,000.00		\$154,800.00	\$151,000.00	\$3,800.00	\$153,000.00	29
2047	\$153,000.00		\$154,912.50	\$153,000.00	\$1,912.50	\$0.00	30
			----- \$4,639,841.67	----- \$3,856,000.00	----- \$783,841.67		

\*Interest Only Payment

# Springdale

## DWB Loan Terms

Local Share (total):	\$	145,650
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	1,652,350
DWB Loan Amount:	\$	3,856,000
DWB Loan Term:		30
DWB Loan Interest:		1.25%
DWB Loan Payment:	\$	154,928

## DW Expenses (Estimated)

Proposed Facility Capital Cost:	#VALUE!
Existing Facility O&M Expense:	\$ 565,246
Proposed Facility O&M Expense:	\$ 565,246
O&M Inflation Factor:	1.0%
Existing Debt Service:	\$ 66,000

## DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		1,064
Projected Growth Rate:		1.0%
Impact Fee/Connection Fee:	\$	5,000
Current Monthly User Charge:	\$	41.01
Needed Average Monthly User Charge:	\$	67.16

## 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%	11	1,064	523,632	55,000	-	578,632	-	-	3,856,000	-	-	66,000	565,246	631,246	-
1	1.0%	11	1,075	866,341	55,000	-	921,341	155,200	15,493	3,749,000	107,000	48,200	66,000	565,246	801,939	1.61
2	1.0%	10	1,085	874,400	50,000	-	924,400	154,863	15,493	3,641,000	108,000	46,863	66,000	570,898	807,254	1.60
3	1.0%	11	1,096	883,265	55,000	-	938,265	154,513	15,493	3,532,000	109,000	45,513	66,000	576,607	812,613	1.64
4	1.0%	11	1,107	892,130	55,000	-	947,130	155,150	15,493	3,421,000	111,000	44,150	66,000	582,374	819,016	1.65
5	1.0%	11	1,118	900,995	55,000	-	955,995	154,763	15,493	3,309,000	112,000	42,763	66,000	588,197	824,453	1.67
6	1.0%	11	1,129	909,859	55,000	-	964,859	155,363	15,493	3,195,000	114,000	41,363	66,000	594,079	830,935	1.67
7	1.0%	12	1,141	919,530	60,000	-	979,530	154,938	15,493	3,080,000	115,000	39,938	66,000	600,020	836,450	1.72
8	1.0%	11	1,152	928,395	55,000	-	983,395	154,500	15,493	2,964,000	116,000	38,500	66,000	606,020	842,013	1.71
9	1.0%	12	1,164	938,066	60,000	-	998,066	155,050	15,493	2,846,000	118,000	37,050	66,000	612,080	848,623	1.75
10	1.0%	11	1,175	946,931	55,000	-	1,001,931	154,575	15,493	2,727,000	119,000	35,575	66,000	618,201	854,269	1.74
11	1.0%	12	1,187	956,602	60,000	-	1,016,602	155,088		2,606,000	121,000	34,088	66,000	624,383	845,471	1.77
12	1.0%	12	1,199	966,272	60,000	-	1,026,272	154,575		2,484,000	122,000	32,575	66,000	630,627	851,202	1.79
13	1.0%	12	1,211	975,943	60,000	-	1,035,943	155,050		2,360,000	124,000	31,050	66,000	636,933	857,983	1.81
14	1.0%	12	1,223	985,614	60,000	-	1,045,614	154,500		2,235,000	125,000	29,500	66,000	643,303	863,803	1.82
15	1.0%	12	1,235	995,285	60,000	-	1,055,285	154,938		2,108,000	127,000	27,938	66,000	649,736	870,673	1.84
16	1.0%	13	1,248	1,005,761	65,000	-	1,070,761	155,350		1,979,000	129,000	26,350	66,000	656,233	877,583	1.87
17	1.0%	12	1,260	1,015,432	60,000	-	1,075,432	154,738		1,849,000	130,000	24,738	66,000	662,795	883,533	1.87
18	1.0%	13	1,273	1,025,909	65,000	-	1,090,909	155,113		1,717,000	132,000	23,113	66,000	669,423	890,536	1.91
19	1.0%	12	1,285	1,035,580	60,000	-	1,095,580	155,463		1,583,000	134,000	21,463	66,000	676,118	897,580	1.89
20	1.0%	13	1,298	1,046,056	65,000	-	1,111,056	154,788		1,448,000	135,000	19,788	66,000	682,879	903,666	1.94

Total Paid in Debt Service = 2,408,000      690,513

# Public Water System Custom Report

Springdale Town Water System

Rating: Approved

03/11/1980

PWS ID: UTAH27017

Status: Active

## Contacts

Type: Administrative  
 Contact  
 Name: ROBERT STOY  
 TOTTEN III  
 Office: 435-772-3434  
 Emergency: 435-772-0402  
 Email:  
 rtotten@infowest.com

## Site Information

Address: PO BOX 187 ,  
 SPRINGDALE, UT 84767  
 Phone: 435-772-3434  
 County: WASHINGTON  
 COUNTY  
 System Type: Community  
 Population: 529

## Site Updates

Last Inventory Update:  
 03/07/2016  
 Last Surveyor Update:  
 08/13/2014  
 Surveyor: PAUL WRIGHT  
 Operating Period: 1/1 -  
 12/31  
 Last IPS Update:  
 05/02/2016 07:00:00

## Consumptive Use Zone

Irrigation Zone: 6  
 Date: 02/15/2013

## IPS SUMMARY

Total IPS Points	Admin & Physical Facilities	Quality & Monitoring	Operator Certifications	Significant Deficiency Violations
<b>0</b>	<b>10</b>	<b>0</b>	<b>-10</b>	<b>0</b>

# PHYSICAL FACILITY POINTS

Code	Description	Severity	Points Effective	Details		
M001	CURRENT EMERGENCY RESPONSE PROGRAM	REC	-10	<a href="#">Hide Details (1)</a>		
	Facility	comments	Status	Determined Date	Point Not Effective	Point Assessed
				10/18/2011		-10
PS17	PS - PIPING OR APPURTENANCES LEAKING	REC	0	<a href="#">View Details (1)</a>		
SP09	NO DWSP REVISION SUBMITTED AFTER REDEV OF SOURCE	MIN	20	<a href="#">Hide Details (1)</a>		
	Facility	comments	Status	Determined Date	Point Not Effective	Point Assessed

WS004 - Rio Spring has disapproved DWSP delineations

**Total Effective Points: 10**



# Rockville Pipeline Company

P.O. Box 630212  
Rockville Utah 84763

May 4, 2016

Utah Division of Drinking Water

Michael J. Grange, P.E.

195 North 1950 West

Salt Lake City, UT 84116

Dear Mr. Grange,

This letter is to acknowledge the association between the Springdale Town Public Works and the Rockville Pipeline Company (RPC). The RPC provides drinking water to the majority of homes in Rockville, Utah. There is a physical connection between the culinary water systems of the Town of Springdale and the RPC. This connection is utilized, under an agreement with Springdale in the case of emergency to facilitate the RPC purchasing water from Springdale.

We've had an agreement since 2006 to provide water to Rockville on an emergency basis, which has been the case several times over the past 10 years. We need a stable supply to meet possible shortfalls in water from the wells as well the potential of blending water to deal with the possibility of high radium measurements, which happened in 2011 and 2012.

It is my concern that current sources are not going to be sufficient for Rockville's long term needs as shown in the master plan done by Sunrise Engineering in 2015.

The RPC is working through issues with water rights and a point of diversion change on existing rights and once those issues are addressed we'll be ready to move forward towards an agreement with the Town of Springdale to ensure a stable supply of culinary water to the Town of Rockville.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Snyder".

Robert Snyder, President

Rockville Pipeline Company