

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

**APPLICANT'S REQUEST:**

The Town of Koosharem is requesting \$40,000 to install an epoxy coating liner on the inside of an existing concrete drinking water storage tank that is leaking. If bids come in low enough, they will also repair a second concrete tank that is starting to show signs of wear. Total project cost is estimated to be \$80,000 and Koosharem is contributing \$40,000 to the project.

**STAFF COMMENTS:**

The leaking tank was noted during a Division of Drinking Water inspection on April 6, 2016 and corresponding IPS points for a significant deficiency were issued.

The Median Adjusted Gross Income (MAGI) for Koosharem is \$34,441, which is 82% of the State MAGI of \$41,923. The average water bill for Koosharem is approximately \$21 per month, which is 0.74% of the local MAGI.

The closing costs for a \$40,000 loan would be substantial in comparison to the loan amount. The potential health risk of the leaking tank is high, and the bonding requirements of a loan would add a few more months to the funding process. Staff feels that these factors should be considered when determining grant qualifications.

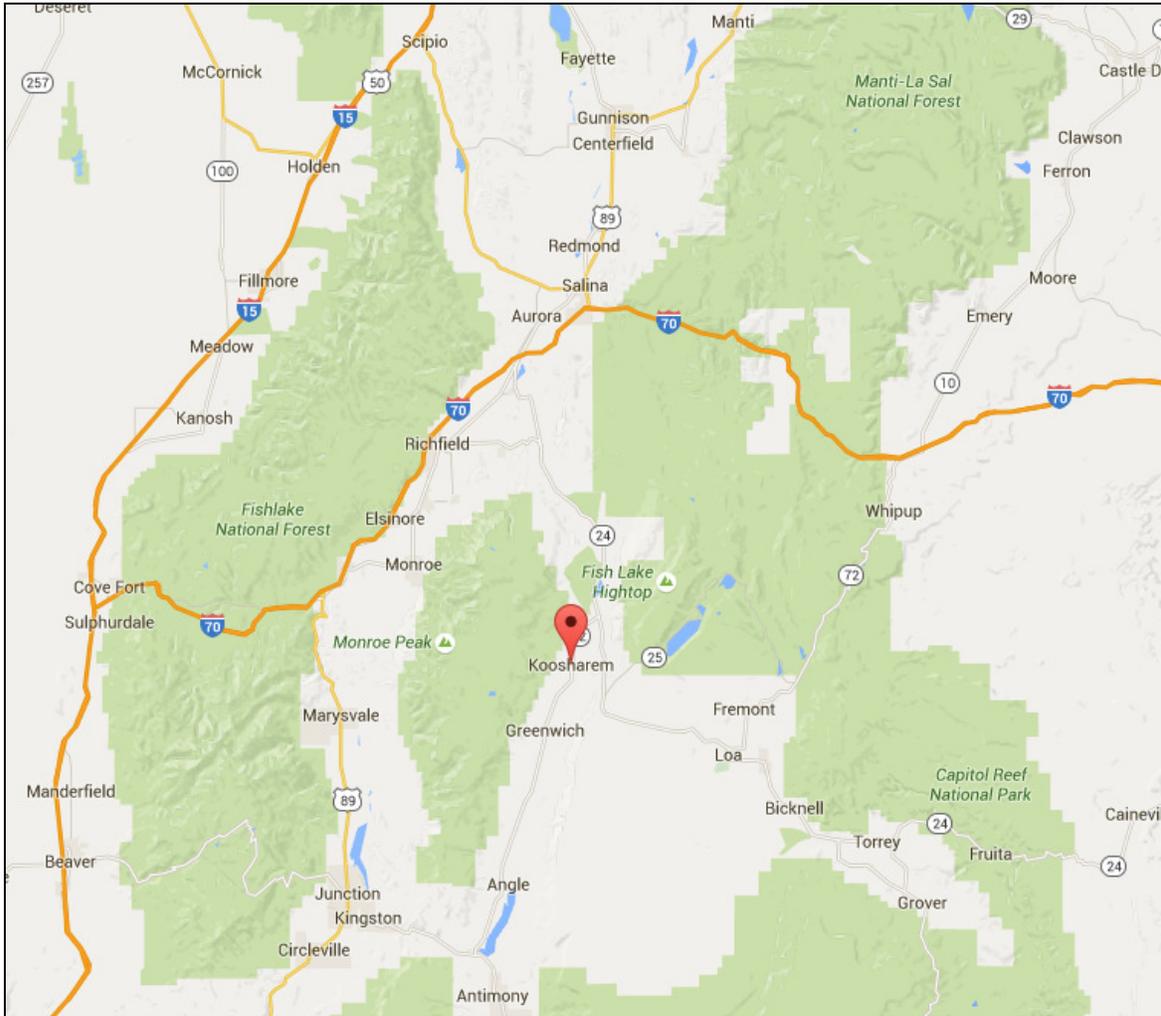
The Financial Assistance Committee requested more information about the proposed tank liner and whether a Xypex type of coating had been considered. The applicant's consulting engineer clarified that the planned liner is an epoxy type coating and that in his experience, Xypex will not be effective in this specific case. The liner is intended to last for at least 20 years.

**FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:**

**The Drinking Water Board authorize a \$40,000 grant to the Town of Koosharem for installation of a storage tank liner/coating.**

**APPLICANT'S LOCATION:**

Koosharem is located in Sevier County.



**PROJECT DESCRIPTION:**

Install an epoxy type coating\liner in Tank #1 (ST001) that was found to have “seeps on tank walls” in April 2016, and also coat a second tank if bids come in low enough.

**POPULATION GROWTH:**

An annual average rate of change of 1% is used in the following population projections.

	<u>Year</u>	<u>Population</u>
Current:	2016	334
Projected:	2036	408

**IMPLEMENTATION SCHEDULE:**

Apply to DWB for Construction Funds:	Apr 2016
SRF Committee Conference Call:	June 2016
DWB Funding Authorization:	July 2016
Complete Design:	July 2016
Plan Approval:	Aug 2016
Advertise for Bids:	Aug 2016
Bid Opening:	Aug 2016
Loan Closing:	Sept 2016
Begin Construction:	Sept 2016
Complete Construction:	Oct 2016
Receive Operating Permit:	Oct 2016

**COST ESTIMATE:**

Construction (including 10% Contingency):	\$69,000
Engineering - Planning	\$1,500
Engineering - Design	\$6,000
Engineering - Construction Management	\$3,500
<u>Total Cost:</u>	<u>\$80,000</u>

**COST SHARING:**

<u>Funding Source</u>	<u>Funding Amount</u>	<u>Percent of Project</u>
DW Board	\$ 40,000	50%
Koosharem	\$ 40,000	50%
<u>Total Amount</u>	<u>\$ 80,000</u>	<u>100%</u>

APPLICANT:

Koosharem Town  
P.O. Box 440199  
Koosharem, UT 84744  
Telephone: 435-638-7598  
Email: [treas@scinternet.net](mailto:treas@scinternet.net)

PRESIDING OFFICIAL &  
CONTACT PERSON:

Harlow Brown  
Koosharem Mayor  
P.O. Box 440199  
Koosharem, UT 84744  
Telephone: 435-638-7598  
Email: [treas@scinternet.net](mailto:treas@scinternet.net)

TREASURER/RECORDER:

Bryanna Ross  
Telephone: 435-638-7598  
Email: [treas@scinternet.net](mailto:treas@scinternet.net)

CONSULTING ENGINEER:

Lynn Wall, P.E.  
Wall Engineering  
55 South Main  
Fillmore, UT 84631  
Telephone: 435-864-7503  
Email: [wallengineering@frontiernet.net](mailto:wallengineering@frontiernet.net)

## DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Koosharem  
 COUNTY: Sevier  
 PROJECT DESCRIPTION: Tank Liner

FUNDING SOURCE: State SRF

### 0 % Loan & 100 % Grant

ESTIMATED POPULATION:	334	NO. OF CONNECTIONS:	200 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$21.22 *			PROJECT TOTAL:	\$80,000
CURRENT % OF AGI:	0.74%	FINANCIAL PTS:	57	LOAN AMOUNT:	\$0
ESTIMATED MEDIAN AGI:	\$34,441			GRANT AMOUNT:	\$40,000
STATE AGI:	\$41,923			TOTAL REQUEST:	\$40,000
SYSTEM % OF STATE AGI:	82%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 3.76%		AFTER REPAYMENT PENALTY & POINTS 1.92%
<b><u>SYSTEM</u></b>				
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.76%		1.92%
REQUIRED DEBT SERVICE:	\$0.00	\$0.00		\$0.00
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$0.00	\$0.00		\$0.00
<b>ANNUAL NEW DEBT PER CONNECTION:</b>	<b>\$0.00</b>	<b>\$0.00</b>		<b>\$0.00</b>
O & M + FUNDED DEPRECIATION:	\$40,031.00	\$40,031.00		\$40,031.00
OTHER DEBT + COVERAGE:	\$3,750.00	\$3,750.00		\$3,750.00
REPLACEMENT RESERVE ACCOUNT:	\$2,151.55	\$2,151.55		\$2,151.55
<b>ANNUAL EXPENSES PER CONNECTION:</b>	<b>\$229.66</b>	<b>\$229.66</b>		<b>\$229.66</b>
TOTAL SYSTEM EXPENSES	\$45,932.55	\$45,932.55		\$45,932.55
TAX REVENUE:	\$0.00	\$0.00		\$0.00
<b><u>RESIDENCE</u></b>				
MONTHLY NEEDED WATER BILL:	\$19.14	\$19.14		\$19.14
% OF ADJUSTED GROSS INCOME:	0.67%	0.67%		0.67%

\* Equivalent Residential Connections

# R309-700-5

Koosharem  
Sevier  
April 27, 2016

## TABLE 2 FINANCIAL CONSIDERATIONS

	POINTS	
1. COST EFFECTIVENESS RATIO (SELECT ONE)		
A. Project cost \$0 to \$500 per benefitting connection	16	X
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	
G. Over \$10,000	0	
	\$400	
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	X
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	
	82%	
3. PROJECT FUNDING CONTRIBUTED BY APPLICANT (SELECT ONE)		
a. Greater than 25% of project funds	17	X
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	
	50.0%	
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	
d. 1.01 to 1.50% of local median AGI	3	
e. 0 to 1.00% of local median AGI	0	X
	0.67%	
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	
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>57</b>	
<b>TOTAL POSSIBLE POINTS FOR FINANCIAL NEED</b>	<b>100</b>	

## Utah Department Of Environmental Quality Division Of Drinking Water

<b>KOOSHAREM</b>	<b>PWS ID: UTAH21010 Rating: Approved</b>	<b>03/07/1985</b>	<b>Active</b>
<b>Legal Contact</b>	<b>Site Updates</b>	<b>Consumptive Use Zone</b>	
KOOSHAREM	Last Inventory Update: 10/28/2015	Irrigation Zone: 1	
HARLOW F BROWN	Last Surveyor Update: 10/27/2015	Date: 02/15/2013	
PO 440199	Surveyor: JOHN H OAKESON		
KOOSHAREM, UT 84744	Operating Period: 1/1 - 12/31		
Phone: 435-638-7412	Last IPS Update: 04/27/2016 07:00:00		
County: SEVIER COUNTY			
System Type: Community			
Population: 400			

### Admin Contacts

Name	Title	Office	Emergency	Email
BROWN, HARLOW F		435-638-7598		HCBROWN@COLOR-COUNTRY.NET

## IPS Report

### IPS Summary

Total IPS Points	Admin & Physical Facilities	Quality & Monitoring	Operator Certification	Significant Deficiency
<b>60</b>	<b>-10</b>	<b>70</b>	<b>0</b>	<b>0</b>

### Physical Facility Points

Code	Description	Severity	Point Effective
M001	CURRENT EMERGENCY RESPONSE PROGRAM REC		-10
<b>Facility</b>	<b>Comments</b>	<b>Status</b>	<b>Determined</b>
			<b>Point Not Assessed</b>
			<b>Point Assessed</b>
		10/27/2015	-10
SSL2	VENT NOT PRESENT BUT RECOMMENDED REC		0
<b>Facility</b>	<b>Comments</b>	<b>Status</b>	<b>Determined</b>
			<b>Point Not Assessed</b>
			<b>Point Assessed</b>
WS001 BROWNS SPRING		Active	06/10/2009
			0
V022	STORAGE FACILITY SHOWS EVIDENCE OF LEAKAGE	SIG	0
<b>Facility</b>	<b>Comments</b>	<b>Status</b>	<b>Determined</b>
			<b>Point Not Assessed</b>
			<b>Point Assessed</b>
ST001 TANK #1	SEEPS ON TANK WALLS	Active	04/06/2016
			30
			0
<b>Total Effective Points:</b>			<b>-10</b>

### Microbial Rule Violations

Determined	Compliance Period	Code	Violation Type	Return To Compliance	Point Effective
06/08/2015	04/01/2015 - 04/30/2015	23	MONITORING (TCR), ROUTINE MAJOR	N	35

12/08/2015	10/01/2015 - 10/31/2015	23	MONITORING (TCR), ROUTINE MAJOR	N	35
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**Total Effective Points: 70**

**Operator Certification Points**

Type	Level Required	Highest Certificate	Point Effective
Distribution	Small System	Small System	0
Treatment			0

**Total Effective Points: 0**