

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION LOAN
PRESENTED TO THE DRINKING WATER BOARD**

APPLICANT'S REQUEST

Paunsaugunt Cliffs SSD is requesting \$17,000 in financial assistance from the Drinking Water Board for a project that consists of replacing electrical equipment damaged during a lightning storm and upgrading system SCADA. Total water system improvement costs are estimated to be \$17,500 and the district plans on contributing \$500.

STAFF COMMENTS:

Based on information from the Utah State Tax commission, the 2012 MAGI for Paunsaugunt Cliffs is \$39,167, which is approximately the same as the State MAGI of \$39,325. The current average monthly water bill is calculated as \$69.21, or 2.12% of the local MAGI.

The base evaluation of 100% loan for 20 years resulted in an average water bill of \$77.97, which is 2.39% of the local MAGI. Therefore the water system qualifies to be considered for principal forgiveness and reduced interest rate. The base evaluation and a 100% grant scenario are summarized in the table below.

	Description	Repayable Loan Amount	Interest Rate	Term	Principal Forgiveness	Monthly Water Rate	% Local MAGI
1	Base Evaluat.	\$17,000	2.97%	20 yrs	\$0	\$77.97	2.39%
2	100% Grant	\$0	N/A	N/A	\$17,000	\$74.85	2.29%

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Financial Assistance Committee recommended the Drinking Water Board authorize a \$17,000 construction grant to Paunsaugunt Cliffs SSD to replace damaged electrical equipment and upgrade the SCADA system. As a condition of funding, Paunsaugunt Cliffs SSD must resolve any and all issues on their compliance report.

Paunsaugunt Cliffs SSD

November 2014

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APPLICANT'S LOCATION:

Paunsaugunt Cliffs SSD is located near the town of Hatch in Garfield County as shown on the map below.



PROJECT DESCRIPTION:

Replace electrical equipment damaged during a lightning storm and upgrade SCADA system.

POPULATION GROWTH:

A growth rate of 1.0% is used in the population projections show in the table below.

	Year	Population	Connections
Current	2014	90	35
Projected	2034	110	43

Paunsaugunt Cliffs SSD

November 2014

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IMPLEMENTATION SCHEDULE:

Apply to DWB for Funding:	November 2014
DWB Funding Authorization:	November 2014
Plans Submitted:	N/A
Plan Approval:	N/A
Advertise for Bids:	N/A
Bid Opening:	N/A
Loan Closing:	December 2014
Begin Construction:	December 2014
Complete Construction:	December 2014

COST ESTIMATE:

Equipment / Installation	\$16,980
Shipping/Misc	\$520
Total Cost:	\$17,500

Paunsaugunt Cliffs SSD

November 2014

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CONTACT INFORMATION:

APPLICANT:

Paunsaugunt Cliffs SSD
49 West Center
P.O. Box 620
Hatch, UT 84735
435-735-4385
pcssd@live.com

PRESIDING OFFICIAL &
CONTACT PERSON:

Mark Walter, Board President
243 East St. George Blvd, #200
St. George, UT 84770
435-628-1609
mwalter@naitahsouth.com

TREASURER/RECORDER

Kerri Justus
435-735-4185
kerriandchad@hotmail.com

Utah Department of Environmental Quality

Division of Drinking Water

Public Water System IPS Report

UTAH09085 PAUNSAUGUNT CLIFFS SSD

Run Date:
11/17/2014 08:25 am

PWS ID: UTAH09085 **Name:** PAUNSAUGUNT CLIFFS SSD

Legal Contact: PAUNSAUGUNT CLIFFS SSD **Rating:** Approved
 MYRON BEN NEILSON **Rating Date:** 08/11/2011

Address: PO BOX 590 **Activity Status:** A
 HATCH, UT 84735

Phone Number: 435-735-4385

City Served (Area): **Consumptive Use Zone**
County: GARFIELD COUNTY Irrigation Zone Number: 2 02/15/2013

System Type: Community **Last Inv Update:** 09/11/2014
Population: 56 **Last Snty Srv Dt:** 08/18/2014
 Surveyor: PAUL WRIGHT
 Oper Period: 1/1 to 12/31

Total IPS Points: **20** **Rating Date:** 08/11/2011 **Rating:** **Approved**

Admin & Physical Facilities: -10
*** Quality & Monitoring Violations:** 0
Operator Certification: 30

* Total Admin & Physical Facilities demerit points may not agree with the detail section. The detail section shows all 'open' physical deficiencies; the Total Admin & Physical Facilities value adjusts for duplicate deficiencies

Physical Facility, Administrative, & Source Protection Deficiencies from Site Visits

Facility	Activity Status	Severity	Date Determined	Point Not Effective	Point Effective
Code: Description					
M001 CURRENT EMERGENCY RESPONSE PROGRAM					
	REC		8/13/2008		-10
Total Admin & Physical Facility Deficiency					-10

Operator Certification Points

	Distribution	Treatment	
Level Required	SS		
Highest Certificate on Record			
Points	30	0	Total Points 30

Compliance Schedules

Type	Required Activities	Severity	Date Created	Due Date	Achieved Date
Fix Physical Deficiency	CCC-LACKS WRITTEN RECORDS	MIN		12/31/2010	
Fix Physical Deficiency	CCC-LACKS LOCAL AUTHORITY	MIN		12/31/2010	
Fix Physical Deficiency	CURRENT EMERGENCY RESPONSE PROGRAM	REC		12/31/2010	
Fix Physical Deficiency	CCC-LACKS ON-GOING ENFORCEMENT PLAN	MIN		12/31/2010	

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Paunsaugunt Cliffs SSD

FUNDING SOURCE: State SRF

COUNTY: Garfield

PROJECT DESCRIPTION: Replace electrical equipment and upgrade SCADA

0 % Loan & 100 % Grant

ESTIMATED POPULATION:	90	NO. OF CONNECTIONS:	35 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$69.21 *	FINANCIAL PTS:	45	PROJECT TOTAL:	\$17,500
CURRENT % OF AGI:	2.12%			LOAN AMOUNT:	\$0
ESTIMATED MEDIAN AGI:	\$39,167			GRANT AMOUNT:	\$17,000
STATE AGI:	\$39,325			TOTAL REQUEST:	\$17,000
SYSTEM % OF STATE AGI:	100%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 4.86%		AFTER REPAYMENT PENALTY & POINTS 2.97%
SYSTEM				
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.86%		2.97%
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
ANNUAL NEW DEBT PER CONNECTION:	\$0.00	\$0.00		\$0.00
O & M + FUNDED DEPRECIATION:	\$29,938.50	\$29,938.50		\$29,938.50
OTHER DEBT + COVERAGE:	\$0.00	\$0.00		\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$1,496.93	\$1,496.93		\$1,496.93
ANNUAL EXPENSES PER CONNECTION:	\$898.16	\$898.16		\$898.16
TOTAL SYSTEM EXPENSES	\$31,435.43	\$31,435.43		\$31,435.43
TAX REVENUE:	\$16,545.00	\$16,545.00		\$16,545.00
RESIDENCE				
MONTHLY NEEDED WATER BILL:	\$74.85	\$74.85		\$74.85
% OF ADJUSTED GROSS INCOME:	2.29%	2.29%		2.29%

* Residential Connections

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Paunsaugunt Cliffs SSD
 COUNTY: Garfield
 PROJECT DESCRIPTION: Replace electrical equipment and upgrade SCADA

FUNDING SOURCE: State SRF

100 % Loan & 0 % Grant

ESTIMATED POPULATION:	90	NO. OF CONNECTIONS:	35 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$69.21 *	FINANCIAL PTS:	45	PROJECT TOTAL:	\$17,500
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SYSTEM % OF STATE AGI:	100%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 4.86%		AFTER REPAYMENT PENALTY & POINTS 2.97%
SYSTEM				
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.86%		2.97%
REQUIRED DEBT SERVICE:	\$850.00	\$1,347.98		\$1,139.50
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$85.00	\$134.80		\$113.95
ANNUAL NEW DEBT PER CONNECTION:	\$26.71	\$42.37		\$35.81
O & M + FUNDED DEPRECIATION:	\$29,938.50	\$29,938.50		\$29,938.50
OTHER DEBT + COVERAGE:	\$0.00	\$0.00		\$0.00
REPLACEMENT RESERVE ACCOUNT:	\$1,539.43	\$1,564.32		\$1,553.90
ANNUAL EXPENSES PER CONNECTION:	\$899.37	\$900.08		\$899.78
TOTAL SYSTEM EXPENSES	\$32,412.93	\$32,985.60		\$32,745.85
TAX REVENUE:	\$16,545.00	\$16,545.00		\$16,545.00
RESIDENCE				
MONTHLY NEEDED WATER BILL:	\$77.17	\$78.54		\$77.97
% OF ADJUSTED GROSS INCOME:	2.36%	2.41%		2.39%

* Residential Connections

R309-700-5

Paunsaugunt Cliffs SSD
Garfield
November 10, 2014

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	X
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	
	\$500	
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	
F. 131 to 150% of State Median AGI	3	
G. Greater than 150% of State Median AGI	0	
	100%	
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	
d. 5 to 10% of project funds	8	
e. 2 to 5% of project funds	4	X
f. Less than 2% of project funds	0	
	2.9%	
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	X
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	
	2.39%	
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	45	
TOTAL POSSIBLE POINTS FOR FINANCIAL NEED	100	

Paunsaugunt Cliffs SSD

PROPOSED BOND REPAYMENT SCHEDULE

100 % Loan & 0 % Grant

PRINCIPAL	\$17,000.00	ANTICIPATED CLOSING DATE	15-Dec-14
INTEREST	2.97%	FIRST P&I PAYMENT DUE	15-Dec-15
TERM	20	REVENUE BOND	
NOMIN. PAYMENT	\$1,139.50	PRINC PREPAID:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2014	\$17,000.00		\$0.00 *	\$0.00	\$0.00	\$17,000.00	0
2015	\$17,000.00		\$1,504.90	\$1,000.00	\$504.90	\$16,000.00	1
2016	\$16,000.00		\$1,475.20	\$1,000.00	\$475.20	\$15,000.00	2
2017	\$15,000.00		\$1,445.50	\$1,000.00	\$445.50	\$14,000.00	3
2018	\$14,000.00		\$1,415.80	\$1,000.00	\$415.80	\$13,000.00	4
2019	\$13,000.00		\$1,386.10	\$1,000.00	\$386.10	\$12,000.00	5
2020	\$12,000.00		\$1,356.40	\$1,000.00	\$356.40	\$11,000.00	6
2021	\$11,000.00		\$1,326.70	\$1,000.00	\$326.70	\$10,000.00	7
2022	\$10,000.00		\$1,297.00	\$1,000.00	\$297.00	\$9,000.00	8
2023	\$9,000.00		\$1,267.30	\$1,000.00	\$267.30	\$8,000.00	9
2024	\$8,000.00		\$1,237.60	\$1,000.00	\$237.60	\$7,000.00	10
2025	\$7,000.00		\$1,207.90	\$1,000.00	\$207.90	\$6,000.00	11
2026	\$6,000.00		\$1,178.20	\$1,000.00	\$178.20	\$5,000.00	12
2027	\$5,000.00		\$1,148.50	\$1,000.00	\$148.50	\$4,000.00	13
2028	\$4,000.00		\$1,118.80	\$1,000.00	\$118.80	\$3,000.00	14
2029	\$3,000.00		\$89.10	\$0.00	\$89.10	\$3,000.00	15
2030	\$3,000.00		\$1,089.10	\$1,000.00	\$89.10	\$2,000.00	16
2031	\$2,000.00		\$59.40	\$0.00	\$59.40	\$2,000.00	17
2032	\$2,000.00		\$1,059.40	\$1,000.00	\$59.40	\$1,000.00	18
2033	\$1,000.00		\$29.70	\$0.00	\$29.70	\$1,000.00	19
2034	\$1,000.00		\$1,029.70	\$1,000.00	\$29.70	\$0.00	20
			\$21,722.30	\$17,000.00	\$4,722.30		

*Interest Only Payment

Paunsaugunt Cliffs SSD

DWB Loan Terms

Local Share (total):	\$	500
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	-
DWB Loan Amount:	\$	17,000
DWB Loan Term:		20
DWB Loan Interest:		2.97%
DWB Loan Payment:	\$	1,140

DW Expenses (Estimated)

Proposed Facility Capital Cost:	#VALUE!
Existing Facility O&M Expense:	\$ 29,939
Proposed Facility O&M Expense:	\$ 29,939
O&M Inflation Factor:	1.0%
Existing Debt Service:	\$ -

DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		35
Projected Growth Rate:		1.0%
Impact Fee/Connection Fee:	\$	-
Current Monthly User Charge:	\$	69.21
Needed Average Monthly User Charge:	\$	77.97

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%	0	35	29,070	-	16,545	45,615	-	-	17,000	-	-	-	29,939	29,939	-
1	1.0%	0	35	32,746	-	16,545	49,291	1,505	114	16,000	1,000	505	-	29,939	31,557	12.86
2	1.0%	1	36	33,681	-	16,545	50,226	1,475	114	15,000	1,000	475	-	30,238	31,827	13.55
3	1.0%	0	36	33,681	-	16,545	50,226	1,446	114	14,000	1,000	446	-	30,540	32,100	13.62
4	1.0%	0	36	33,681	-	16,545	50,226	1,416	114	13,000	1,000	416	-	30,846	32,375	13.69
5	1.0%	1	37	34,617	-	16,545	51,162	1,386	114	12,000	1,000	386	-	31,154	32,654	14.43
6	1.0%	0	37	34,617	-	16,545	51,162	1,356	114	11,000	1,000	356	-	31,466	32,936	14.52
7	1.0%	1	38	35,553	-	16,545	52,098	1,327	114	10,000	1,000	327	-	31,780	33,221	15.31
8	1.0%	0	38	35,553	-	16,545	52,098	1,297	114	9,000	1,000	297	-	32,098	33,509	15.42
9	1.0%	0	38	35,553	-	16,545	52,098	1,267	114	8,000	1,000	267	-	32,419	33,800	15.53
10	1.0%	1	39	36,488	-	16,545	53,033	1,238	114	7,000	1,000	238	-	32,743	34,095	16.39
11	1.0%	0	39	36,488	-	16,545	53,033	1,208		6,000	1,000	208	-	33,071	34,279	16.53
12	1.0%	0	39	36,488	-	16,545	53,033	1,178		5,000	1,000	178	-	33,401	34,580	16.66
13	1.0%	1	40	37,424	-	16,545	53,969	1,149		4,000	1,000	149	-	33,735	34,884	17.62
14	1.0%	0	40	37,424	-	16,545	53,969	1,119		3,000	1,000	119	-	34,073	35,192	17.78
15	1.0%	1	41	38,359	-	16,545	54,904	89		3,000	-	89	-	34,414	34,503	229.98
16	1.0%	0	41	38,359	-	16,545	54,904	1,089		2,000	1,000	89	-	34,758	35,847	18.50
17	1.0%	0	41	38,359	-	16,545	54,904	59		2,000	-	59	-	35,105	35,165	333.32
18	1.0%	1	42	39,295	-	16,545	55,840	1,059		1,000	1,000	59	-	35,456	36,516	19.24
19	1.0%	0	42	39,295	-	16,545	55,840	30		1,000	-	30	-	35,811	35,841	674.38
20	1.0%	1	43	40,231	-	16,545	56,776	1,030		-	1,000	30	-	36,169	37,199	20.01
Total Paid in Debt Service =											17,000	4,722				