



State of Utah

GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

Department of  
Environmental Quality

Amanda Smith  
Executive Director

DIVISION OF DRINKING WATER  
Kenneth H. Bousfield, P.E.  
Director

**Drinking Water Board**  
Paul Hansen, P.E., *Chair*  
Betty Naylor, *Vice-Chair*  
Brett Chynoweth  
Tage Flint  
Heather Jackson  
Brad Johnson  
Natasha Madsen  
David Stevens, Ph.D.  
Mark Stevens, M.D.  
Kenneth H. Bousfield, P.E.  
*Executive Secretary*

DRINKING WATER BOARD  
MEETING

January 30, 2014  
11:00 a.m.  
195 North 1950 West  
Salt Lake City, Utah 84116  
Teleconference  
1-877-820-7831  
Pin#: 878776#

Ken Bousfield's Cell Phone #: (801) 674-2557

1. Call to Order – Chairman Hansen
2. Roll Call – Ken Bousfield
3. Introductions – Chairman Hansen
4. Financial Assistance Committee Report
  1. SRF Applications  
FEDERAL:
    - a. Woods Cross City (Jesse Johnson)
  2. OTHER:
5. Next Board Meeting:  
Date: February 27, 2014  
Time of Board Meeting: 2:00 p.m.  
Location: Dixie Convention Center, Garden Room  
1835 Convention Center Drive  
St. George, Utah 84790
13. Other
14. Adjourn

*In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Brooke Baker, Office of Human Resources, at: (801) 536-4412, TDD (801) 536-4424, at least five working days prior to the scheduled meeting.*

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

**APPLICANT'S REQUEST:**

Woods Cross City Water System is requesting an additional \$344,000 in funding due to the construction bids coming in over the estimated amount.

**STAFF COMMENTS:**

On July 12, 2013, The Drinking Water Board authorized Woods Cross City Water System a \$4,156,000 construction loan at 0% for 20 years. Their project consists of constructing a new water treatment facility for PCE / TCE removal, which includes the necessary infrastructure to connect the treatment plant to the water system.

The project budget is summarized in the table below:

<b>Cost</b>	<b>Original</b>	<b>Revised</b>
<b>Non-Construction</b>	\$727,000	\$622,593
<b>Construction</b>	\$3,362,000	\$4,151,663
<b>Contingency</b>	\$430,000 (9.5%)	\$207,583 (5%)
<b>Total</b>	<b>\$4,519,000</b>	<b>\$4,981,593</b>

Although, Staff is not comfortable with only 5% contingency, Woods Cross is confident with the proposed budget, and understands that they will be liable for any additional costs. For the parameters resolution, a bond of \$4,500,000 was approved, so by increasing the funding amount by \$344,000 to a total of \$4,500,000, Woods Cross will be able to proceed with their project without having to approve a new bond parameters resolution. For additional information, please see the attached letter and proposed budget from Woods Cross.

Additionally, the contribution from Woods Cross would increase from \$403,000 to \$481,593.

---

**STAFF RECOMMENATION:**

**The Drinking Water Board authorize an increase of \$344,000 in funding to Woods Cross City to a total funding of \$4,500,000 at 0% interest for 20 years.**

**CONTACT INFORMATION:**

APPLICANT: Woods Cross City Corporation  
1555 South 800 West  
Woods Cross, UT 84087  
801-292-4421

PRESIDING OFFICIAL &  
CONTACT PERSON: Gary Uresk, City Administrator  
1555 South 800 West  
Woods Cross, UT 84087  
801-292-4421

CONSULTING ENGINEER: Greg Seegmiller  
J.U.B. Engineers. Inc.  
466 North 900 West  
Kaysville, UT 84037  
801-756-0309

CITY ATTORNEY: Michael Mazuran  
Mazuran & Hayes  
2118 East 3900 South, Ste B300  
Salt Lake City, UT 84124  
801-272-8998

BOND ATTORNEY: Randy Larsen  
Ballard Spahr Andrew & Ingersoll  
201 South Main, Ste 600  
Salt Lake City, UT 84111  
801-531-3079

FINANCIAL CONSULTANT: Johnathan Ward  
Zions Bank Public Finance  
One South Main, 18<sup>th</sup> Floor  
Salt Lake City, UT 84111  
801-844-7379

**06021 Woods Cross  
Compliance Report  
June 19, 2013**

**Administration:**

No Issues

**Operator Certification:**

No Issues

**Bacteriological Information:**

Possible monitoring violation (DBP)

**Chemical Monitoring:**

No Issues

**Lead/Copper:**

No Issues

**Consumer Confidence Report:**

No Issues

**Physical Facilities:**

No Issues

**Drinking Water Source Protection:**

Woods Cross is in compliance with all source protection requirements as of this date.

## DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Woods Cross  
 COUNTY: Davis  
 PROJECT DESCRIPTION: Water Treatment Plant

FUNDING SOURCE: Federal SRF

### ORIGINAL REQUEST

**100 % Loan & 0 % P.F.**

ESTIMATED POPULATION:	9,932	NO. OF CONNECTIONS:	4209 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$34.13 *			PROJECT TOTAL:	\$4,559,000
CURRENT % OF AGI:	0.85%	FINANCIAL PTS:	37	LOAN AMOUNT:	\$4,156,000
ESTIMATED MEDIAN AGI:	\$48,410			PRINC. FORGIVENESS:	\$0
STATE AGI:	\$37,718			TOTAL REQUEST:	\$4,156,000
SYSTEM % OF STATE AGI:	128%				

	@ ZERO % RATE	@ RBBI MKT RATE		AFTER REPAYMENT PENALTY & POINTS
<b><u>SYSTEM</u></b>	0%	4.33%		0.00%
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.33%		0.00%
REQUIRED DEBT SERVICE:	\$207,800.00	\$314,808.19		\$207,800.00
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$20,780.00	\$31,480.82		\$20,780.00
<b>ANNUAL NEW DEBT PER CONNECTION:</b>	<b>\$54.31</b>	<b>\$82.27</b>		<b>\$54.31</b>
O & M + FUNDED DEPRECIATION:	\$631,400.00	\$631,400.00		\$631,400.00
OTHER DEBT + COVERAGE:	\$505,161.25	\$505,161.25		\$505,161.25
REPLACEMENT RESERVE ACCOUNT:	\$62,166.45	\$67,516.86		\$62,166.45
<b>ANNUAL EXPENSES PER CONNECTION:</b>	<b>\$284.80</b>	<b>\$286.07</b>		<b>\$284.80</b>
TOTAL SYSTEM EXPENSES	\$1,427,307.70	\$1,550,367.12		\$1,427,307.70
TAX REVENUE:	\$0.00	\$0.00		\$0.00
<b><u>RESIDENCE</u></b>				
<b>MONTHLY NEEDED WATER BILL:</b>	<b>\$43.43</b>	<b>\$45.86</b>		<b>\$43.43</b>
<b>% OF ADJUSTED GROSS INCOME:</b>	<b>1.08%</b>	<b>1.14%</b>		<b>1.08%</b>

\* Equivalent Residential Connections

## DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Woods Cross  
 COUNTY: Davis  
 PROJECT DESCRIPTION: Water Treatment Plant

FUNDING SOURCE: Federal SRF

### POST-BID REQUEST

**100 % Loan & 0 % P.F.**

ESTIMATED POPULATION:	9,932	NO. OF CONNECTIONS:	4209 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$34.13 *			PROJECT TOTAL:	\$4,981,839
CURRENT % OF AGI:	0.85%	FINANCIAL PTS:	37	LOAN AMOUNT:	\$4,500,000
ESTIMATED MEDIAN AGI:	\$48,410			PRINC. FORGIVENESS:	\$0
STATE AGI:	\$37,718			TOTAL REQUEST:	\$4,500,000
SYSTEM % OF STATE AGI:	128%				

	@ ZERO % RATE	@ RBBI MKT RATE		AFTER REPAYMENT PENALTY & POINTS
<b>SYSTEM</b>	0%	4.33%		0.00%
ASSUMED LENGTH OF DEBT, YRS:	20	20		20
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	4.33%		0.00%
REQUIRED DEBT SERVICE:	\$225,000.00	\$340,865.46		\$225,000.00
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$22,500.00	\$34,086.55		\$22,500.00
<b>ANNUAL NEW DEBT PER CONNECTION:</b>	<b>\$58.80</b>	<b>\$89.08</b>		<b>\$58.80</b>
O & M + FUNDED DEPRECIATION:	\$631,400.00	\$631,400.00		\$631,400.00
OTHER DEBT + COVERAGE:	\$505,161.25	\$505,161.25		\$505,161.25
REPLACEMENT RESERVE ACCOUNT:	\$63,026.45	\$68,819.72		\$63,026.45
<b>ANNUAL EXPENSES PER CONNECTION:</b>	<b>\$285.01</b>	<b>\$286.38</b>		<b>\$285.01</b>
TOTAL SYSTEM EXPENSES	\$1,447,087.70	\$1,580,332.98		\$1,447,087.70
TAX REVENUE:	\$0.00	\$0.00		\$0.00
<b>RESIDENCE</b>				
<b>MONTHLY NEEDED WATER BILL:</b>	<b>\$43.82</b>	<b>\$46.46</b>		<b>\$43.82</b>
<b>% OF ADJUSTED GROSS INCOME:</b>	<b>1.09%</b>	<b>1.15%</b>		<b>1.09%</b>

\* Equivalent Residential Connections

## Woods Cross

### PROPOSED BOND REPAYMENT SCHEDULE

100 % Loan & 0 % P.F.

PRINCIPAL	\$4,500,000.00	ANTICIPATED CLOSING DATE	03-Sep-13
INTEREST	0.00%	P&I PAYMT DUE	01-Sep-14
TERM	20	REVENUE BOND	
NOMIN. PAYMENT	\$225,000.00	PRINC PREPAID:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2014	\$4,500,000.00		\$0.00 *	\$0.00	\$0.00	\$4,500,000.00	0
2015	\$4,500,000.00		\$110,000.00	\$110,000.00	\$0.00	\$4,390,000.00	1
2016	\$4,390,000.00		\$110,000.00	\$110,000.00	\$0.00	\$4,280,000.00	2
2017	\$4,280,000.00		\$110,000.00	\$110,000.00	\$0.00	\$4,170,000.00	3
2018	\$4,170,000.00		\$110,000.00	\$110,000.00	\$0.00	\$4,060,000.00	4
2019	\$4,060,000.00		\$110,000.00	\$110,000.00	\$0.00	\$3,950,000.00	5
2020	\$3,950,000.00		\$110,000.00	\$110,000.00	\$0.00	\$3,840,000.00	6
2021	\$3,840,000.00		\$110,000.00	\$110,000.00	\$0.00	\$3,730,000.00	7
2022	\$3,730,000.00		\$110,000.00	\$110,000.00	\$0.00	\$3,620,000.00	8
2023	\$3,620,000.00		\$110,000.00	\$110,000.00	\$0.00	\$3,510,000.00	9
2024	\$3,510,000.00		\$110,000.00	\$110,000.00	\$0.00	\$3,400,000.00	10
2025	\$3,400,000.00		\$110,000.00	\$110,000.00	\$0.00	\$3,290,000.00	11
2026	\$3,290,000.00		\$110,000.00	\$110,000.00	\$0.00	\$3,180,000.00	12
2027	\$3,180,000.00		\$397,000.00	\$397,000.00	\$0.00	\$2,783,000.00	13
2028	\$2,783,000.00		\$397,000.00	\$397,000.00	\$0.00	\$2,386,000.00	14
2029	\$2,386,000.00		\$397,000.00	\$397,000.00	\$0.00	\$1,989,000.00	15
2030	\$1,989,000.00		\$397,000.00	\$397,000.00	\$0.00	\$1,592,000.00	16
2031	\$1,592,000.00		\$398,000.00	\$398,000.00	\$0.00	\$1,194,000.00	17
2032	\$1,194,000.00		\$398,000.00	\$398,000.00	\$0.00	\$796,000.00	18
2033	\$796,000.00		\$398,000.00	\$398,000.00	\$0.00	\$398,000.00	19
2034	\$398,000.00		\$398,000.00	\$398,000.00	\$0.00	\$0.00	20
			\$4,500,000.00	\$4,500,000.00	\$0.00		

\*Interest Only Payment

# Woods Cross

## DWB Loan Terms

Local Share (total):	\$	481,839
Other Agency Funding:	\$	-
DWB Grant Amount:	\$	-
DWB Loan Amount:	\$	4,500,000
DWB Loan Term:		20
DWB Loan Interest:		0.00%
DWB Loan Payment:	\$	225,000

## DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$	5,026,839
Existing Facility O&M Expense:	\$	561,400
Proposed Facility O&M Expense:	\$	561,400
O&M Inflation Factor:		1.0%
Existing Debt Service:	\$	404,129

## DW Revenue Sources (Projected)

Beginning Cash:	\$	-
Existing Customers (ERC):		4,209
Projected Growth Rate:		1.0%
Impact Fee/Connection Fee:	\$	2,123
Current Monthly User Charge:	\$	18.97
Needed Average Monthly User Charge:	\$	28.65

## DW Revenue Projections

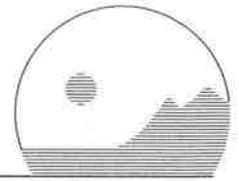
Yr	Growth Rate (%)	Annual Growth (ERC)	Total Users (ERC)	User Charge Revenue	Impact Fee Revenue	Property Tax Revenue	Total Revenue	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	Existing DW Debt Service	O&M Expenses	Total Expenses	Debt Service Ratio
0	1.0%	42	4,209	958,000	89,166	-	1,047,166	-	-	4,500,000	-	-	404,129	561,400	965,529	-
1	1.0%	42	4,251	1,461,528	89,166	-	1,550,694	110,000	22,500	4,390,000	110,000	-	404,129	561,400	1,098,029	1.92
2	1.0%	43	4,294	1,476,311	91,289	-	1,567,600	110,000	22,500	4,280,000	110,000	-	404,129	567,014	1,103,643	1.95
3	1.0%	43	4,337	1,491,095	91,289	-	1,582,384	110,000	22,500	4,170,000	110,000	-	404,129	572,684	1,109,313	1.96
4	1.0%	43	4,380	1,505,879	91,289	-	1,597,168	110,000	22,500	4,060,000	110,000	-	404,129	578,411	1,115,040	1.98
5	1.0%	44	4,424	1,521,006	93,412	-	1,614,418	110,000	22,500	3,950,000	110,000	-	404,129	584,195	1,120,824	2.00
6	1.0%	44	4,468	1,536,134	93,412	-	1,629,546	110,000	22,500	3,840,000	110,000	-	404,129	590,037	1,126,666	2.02
7	1.0%	45	4,513	1,551,605	95,535	-	1,647,140	110,000	22,500	3,730,000	110,000	-	404,129	595,937	1,132,566	2.04
8	1.0%	45	4,558	1,567,077	95,535	-	1,662,612	110,000	22,500	3,620,000	110,000	-	404,129	601,897	1,138,526	2.06
9	1.0%	45	4,603	1,582,548	95,535	-	1,678,083	110,000	22,500	3,510,000	110,000	-	404,129	607,916	1,144,545	2.08
10	1.0%	46	4,649	1,598,363	97,658	-	1,696,021	110,000	22,500	3,400,000	110,000	-	404,129	613,995	1,150,624	2.10
11	1.0%	47	4,696	1,614,522	99,781	-	1,714,303	110,000	22,500	3,290,000	110,000	-	404,129	620,135	1,134,264	2.13
12	1.0%	47	4,743	1,630,681	99,781	-	1,730,462	110,000	22,500	3,180,000	110,000	-	404,129	626,336	1,140,465	2.15
13	1.0%	47	4,790	1,646,840	99,781	-	1,746,621	397,000	22,500	2,783,000	397,000	-	404,129	632,600	1,433,729	1.39
14	1.0%	48	4,838	1,663,343	101,904	-	1,765,247	397,000	22,500	2,386,000	397,000	-	404,129	638,926	1,440,055	1.41
15	1.0%	49	4,887	1,680,189	104,027	-	1,784,216	397,000	22,500	1,989,000	397,000	-	404,129	645,315	1,446,444	1.42
16	1.0%	48	4,935	1,696,692	101,904	-	1,798,596	397,000	22,500	1,592,000	397,000	-	404,129	651,768	1,452,897	1.43
17	1.0%	50	4,985	1,713,883	106,150	-	1,820,033	398,000	22,500	1,194,000	398,000	-	404,129	658,286	1,460,415	1.45
18	1.0%	50	5,035	1,731,073	106,150	-	1,837,223	398,000	22,500	796,000	398,000	-	404,129	664,869	1,466,998	1.46
19	1.0%	50	5,085	1,748,263	106,150	-	1,854,413	398,000	22,500	398,000	398,000	-	404,129	671,517	1,473,646	1.47
20	1.0%	51	5,136	1,765,798	108,273	-	1,874,071	398,000	22,500	-	398,000	-	404,129	678,232	1,480,361	1.49

Total Paid in Debt Service = 4,500,000

---

# Woods Cross City

---



January 24, 2014

Jesse Johnson  
Division of Drinking Water  
P.O. Box 144830  
Salt Lake City, Utah 84114-4830

Dear Jesse,

On Wednesday, January 22<sup>nd</sup> we opened the bids for the Water Treatment Plant and the associated off site piping project. The bid totals for both projects came in a little over 4 million dollars. The piping project bid was considerably more than was estimated by the engineers.

Please find attached a spreadsheet that shows the anticipated cost of the project which is now just a little short of 5 million dollars. The Drinking Water Board approved a 4.156 million dollar loan which now does not meet the cost of the project due to the increased costs. I would like to request the Drinking Water Board consider increasing the bond amount to 4.5 million to help us cover these increased costs. The parameter resolution adopted by the City Council allows us to bond up to 4.5 million dollars.

We increased our water rates by \$9.00 per month per connection effective January 1, 2014 in anticipation to cover the cost of retiring the bonds and the operating costs of the treatment plant, as well as some needed replacement projects. Since we will not have to make payment on the bond and pay the operating costs during the six month construction period, we estimate we will have approximately \$135,000 to cover any additional costs above those projected for the project. Increasing the bond amount to 4.5 million will meet our needs for this project.

We would like to proceed with the February 6<sup>th</sup> closing if possible. Any assistance you can provide us in getting Bond approval of the increased amount would be greatly appreciated. If we need to delay the closing to provide the Board time to review our request please let me know and we will plan accordingly.

Sincerely,

Gary Uresk  
City Administrator

Enclosure

p.c. Scott Anderson  
Greg Seegmiller  
Jonathan Ward

**Drinking Water Treatment Facility (DWTF) Program Cost Estimates**

**Updated January 24, 2014 with Bid Results from Bid Opening Held January 22, 2014**

<b>Item #</b>	<b>Description</b>	<b>Amount</b>	<b>Comment</b>
1	Offsite Piping	\$ 1,080,851	This is the low bid value from bid opening. Silver Spur Construction.
2	Treatment Facility	\$ 3,057,995	This is the low bid value from bid opening. COP Construction.
3	Owner sourced SCADA system	\$ 12,817	Direct quote from City's SCADA provider
4	Construction Contingency	\$ 207,583	Shown at 5% of low bid construction costs
	<b><i>Subtotal Construction Costs</i></b>	<b>\$ 4,359,246</b>	
5	Engineering	\$ 539,593	J-U-B Engineers executed contract for design and CA services
6	Geotechnical	\$ 8,000	Terracon, direct contract with Owner
7	Utility Locator Service	\$ 50,000	UMS, direct contract with Owner
8	Easements	\$ 25,000	Owner secured easement for private parcel
	<b><i>Subtotal Non-Construction Costs</i></b>	<b>\$ 622,593</b>	
	<b>Total all Construction and Non-Construction Costs</b>	<b>\$ 4,981,839</b>	