

1. (a) What is the purpose of these loan programs? (b) Why was a sales tax earmark designated as a source of revenue?

1.(a). The purpose of these loan programs is to provide loans, credit enhancement agreements, and/or interest buy-down agreements to political subdivisions to finance all or part of drinking water and wastewater capital improvement projects. These projects are necessary to provide service capacity and maintain or achieve compliance with the mandates of the Safe Drinking Water Act and the Clean Water Act at the state and federal level. Without this financial assistance many of the water and wastewater systems within the state, and particularly in rural Utah, would be unable to make the improvements necessary to provide the needed service, protect public health and water quality as required under the State and federal Acts.

1.(b). In the 1994 legislative session, a water development bill sponsored by Sen. John Holmgren was passed. This legislation provided that 1/8% of sales tax revenues would be allocated, principally to the Board of Water Resource, the Water Quality Board and the Drinking Water Board, to help fund water projects. The allocation was later changed to 1/16%, with the Department of Transportation receiving the other 1/16%. The dedication of sales tax revenues to water and wastewater projects has allowed the Division of Drinking Water and the Division of Water Quality to meet the 20% matching funds requirements for each division's federally funded State Revolving Fund (SRF) annual capitalization grant.

2. What is the current balance of the two subaccounts?

The balance of the Utah Wastewater Loan Program Subaccount (#5260) is \$13,880,085

The balance of the Utah Drinking Water Loan Program Subaccount (#5235) is \$8,552.653

3. What is the current number of outstanding loans?

The number of outstanding Utah Wastewater Loan Program loans (receivables) is 34.

The number of outstanding Utah Drinking Water Loan Program loans (receivables) is 114.

4. What is the current total balance owing on all outstanding loans?

The total amount of outstanding Utah Wastewater Loan Program loans (receivables) is \$46,286,000.

The total amount of outstanding Utah Drinking Water Loan Program loans (receivables) is \$47,801,455.

5. Who are the recipients of the loans?

Utah Drinking Water Loan Program funds are reserved, by law, to political subdivisions of the State. These loans are generally for the construction of drinking water infrastructure. See Attachment 1 for details.

Typical loan recipients of Utah Wastewater Loan Program are political subdivisions of the state. These loans are for the construction of wastewater and storm water infrastructure. See Attachment 2 for details. The Water Quality Board may also make loans for on-site wastewater systems (septic tank systems) and non-point source projects for both public and private entities.

6. What are the usual terms of the loans? Are loans being paid according to terms?

Loan terms are typically 20 years, some loans may be for 30 years. The interest rates depend on affordability criteria established by the Drinking Water and Water Quality Boards. The loan interest rates currently range from 0% to 3.5%. Interest rates on loans for storm water and on-site wastewater disposal system projects are indexed to the interest rates on the 30-year U.S. Treasury bill.

We do experience some late payments from loan recipients. However, to date there have been no defaults on loans from either of the loan funds.

7. For FY 2015 (to date), FY 2014, and FY 2013, what is the total number of loans granted and the total dollar amount of all loans granted? Please also provide a brief description of each loan, including the recipient, amount of loan, terms, and the project funded by the loan.

Utah Wastewater Loan Program Summary

Year	Projects	Loan Value	Grant Value	Total Value
FY2015 - Construction	1	\$600,000	--	\$600,000
FY2015 – Planning		\$428,300	--	\$428,300
FY2014 – Construction	2	\$1,350,000	\$1,146,000	\$2,496,000
FY2014 – Planning		\$425,600	--	\$425,600
FY2013 – Construction	3	\$3,939,000	\$5,271,000	\$9,210,000
FY2013 – Planning	5	\$1,224,500	--	\$1,224,500

Utah Drinking Water Loan Program Summary

Year	Projects	Loan Value	Grant Value	Total Value
FY2015 - Construction	6	\$1,870,000	\$947,000	\$2,817,000
FY2015 – Planning	13	\$102,000	\$387,000	\$489,000
FY2014 – Construction	2	\$1,065,000	\$145,075	\$1,210,075
FY2014 – Planning	6	\$56,000	\$120,000	\$176,000
FY2013 – Construction	3	\$2,370,000	\$454,494	\$2,824,494
FY2013 – Planning	5	\$168,000	\$65,000	\$233,000

See attached spreadsheets for project specific details.

8. Are the proceeds of these loans ever used to service a bond or other form of indebtedness? If so, what are the terms for repayment of the bonded indebtedness?

No.

9. Do you have any recommendations for changes or improvements to these loan programs?

To capitalize the Utah Wastewater and Drinking Water Loan Programs at their inception in 1983, the state sold \$50 million of bonds. The distribution of the proceeds was as follows: Board of Water Resources 40%, Water Quality Board 40% and Drinking Water Board 20%. When the sales tax funds were made available through the passage of the 1994 legislation, the "split" became the Board of Water Resources 50% and the two DEQ boards 50%. In 1995, the total sales tax distribution to the agencies was reduced from 1/8% to 1/16%. Subsequently, sales tax revenues above \$17.5 million were allotted to other Department of Natural Resource (DNR) initiatives, including cloud seeding, water rights administration, Lake Powell Pipeline and Bear River Development activities and watershed restoration efforts. The sales tax revenue "split" is now, approximately, DNR 75%, DEQ 25%.

Because of the compelling magnitude of drinking water and water quality needs, we recommend that the two DEQ loan programs also share with DNR in the increased distribution of sales tax revenue when those taxes exceed \$17.5 million. A portion of the additional monies that would flow to the Water Quality Security Subaccount could be dedicated to performing scientific studies, conducting monitoring, developing standards and employing management strategies to protect the critical resource that is Great Salt Lake.

172 water systems which represent 37.4 % of the drinking water systems serving year round residents are privately owned. Examples include homeowner associations, irrigation companies and privately owned water systems. These privately owned water systems have similar needs to their publically owned counter parts. It is recommended that these privately owned water systems be eligible for financial assistance under this program.

10. Do you have any other information that would help the TRC in reviewing these two loan programs?

1) There is a long lead time to award, close, and complete drinking water and wastewater projects resulting in unsteady output of funds; 2) during the recession, many communities put projects on hold due to financial uncertainty; 3) pent-up projects are now emerging -- especially as a consequence of recent ammonia toxicity requirements and DWQ's nutrient strategy; and 4) aging infrastructure and population growth have resulted in an increase of drinking water and wastewater projects.

Date Received	Date Authorized	Date Closed	System Name	System Number	Project Description	Project Cost Authorized	System Contribution	Loan Amount Authorized	Grant Amount Authorized	Interest Rate Authorized	Repayment Term Authorized	County	POPULATION
23-Mar-15	08-May-15		CORINNE CITY	02005	Replace water meters and upgrade SCADA	\$ 70,700.00			\$ 70,000.00			Box Elder	690
09-Mar-15	TABLED		OAK CITY WATER SYSTEM	14010	New well and well building, re-equip existing well, chlorinate old and new well, 30K gallon chlorine contact tank and pump, booster pump	\$ 814,000.00		\$ 400,000.00				Millard	700
08-Mar-15			HANKSVILLE TOWN WATER SYSTEM	28003	New tank and waterline replacement	\$ 1,610,230.00						Wayne	270
07-Jan-15	26-Feb-15		GRAND WATER AND SEWER AGENCY	10023	Emergency line repair	\$ 261,300.00		\$ 130,000.00				Grand	3500
31-Dec-14	08-May-15		PLYMOUTH TOWN WATER SYSTEM	02013	500,000 gallon tank	\$ 880,303.00		\$ 880,000.00				Box Elder	386
13-Nov-14			STOCKTON TOWN WATER SYSTEM	23010	Waterlines, PRV's, SCADA							Tooele	616
03-Nov-14	01-Dec-14		PAUNSAUGUNT CLIFFS SSD	09085	Upgrade SCADA, replace parts damaged by lightning	\$ 17,000.00			\$ 17,000.00			Garfield	56
29-Sep-14	09-Jan-15		TICABOO UTILITY IMPROVEMENT DISTRICT	09022	New well pump and pump house	\$ 707,071.00		\$ 350,000.00	\$ 350,000.00			Garfield	83
10-Sep-14	09-Jan-15		DAGGETT COUNTY WATER AND SEWER DISTRICT	05002	Dutch John tank replacement	\$ 1,020,000.00		\$ 510,000.00	\$ 510,000.00	0.00	30	Daggett	400
17-Mar-14	09-May-14		TRENTON TOWN WATER SYSTEM	03021	redevelop springs	\$ 401,150.00		\$ 145,000.00	\$ 145,075.00	1.50	30	Cache	490
03-Sep-13	08-Nov-13	16-May-14	WOODLAND HILLS CITY	25028	New well, transmission line to tank, pump	\$ 970,000.00	\$ 50,000.00	\$ 920,000.00	\$ -	2.92	20	Utah	1350
13-May-13	12-Jul-13	12-May-14	PRICE RIVER WID	04020	Spring Glen project - system upgrade, merger with PriWID	\$ 900,000.00	\$ 100,000.00	\$ 800,000.00	\$ -	2.42	25	Carbon	7659
12-Mar-13			HENRIEVILLE TOWN WATER SYSTEM	09006	300K Tank	\$ 734,293.00						Garfield	300
04-Jan-13	11-Jan-13	12-Mar-13	PAUNSAUGUNT CLIFFS SSD	09085	Replace motor at well	\$ 20,038.00			\$ 14,493.84			Garfield	56
19-Dec-12	28-Feb-13	01-Jul-14	SNOWVILLE WATERWORKS	02020	Snowville Town purchasing Snowville Waterworks Co.	\$ 610,000.00		\$ 610,000.00		0.00	30	Box Elder	340
21-Oct-11	11-Jan-13	01-May-13	TOQUERVILLE TOWN WATER SYSTEM	27018	Pipeline replacement, PRV station	\$ 2,320,000.00	\$ 120,000.00	\$ 1,760,000.00	\$ 440,000.00	0.00	30	Washington	1400
30-Aug-11	17-Nov-11	05-Apr-12	PAYSON CITY WATER SYSTEM	25021	Replace damaged steel tanks with 2.1 MG and 2.9 MG concrete tanks	\$ 4,174,000.00		\$ 3,404,000.00		3.46	20	Utah	17500
18-May-11	13-Jul-11	27-Apr-12	DUTCH JOHN TOWN WATER SYSTEM	05001	replace main transmission line		\$ 2,580.00		\$ 255,420.00			Daggett	195
18-May-11	13-Jul-11	30-Jan-13	PAROWAN CITY WATER SYSTEM	11010	replace distribution line			\$ 660,000.00		3.28	30	Iron	2500
21-Apr-11	03-May-11		BICKNELL TOWN WATER SYSTEM	28001	Emergency spring development	\$ 230,500.00		\$ 115,000.00	\$ 115,500.00	0.00	20	Wayne	380
24-Mar-11	03-May-11		EASTLAND SPECIAL SERVICE DISTRICT	19013	Pump replacement	\$ 33,000.00			\$ 33,000.00			San Juan	80
15-Mar-11	03-May-11		GUNLOCK SPECIAL SERVICE DISTRICT	27005	Flood damage, repair spring transmission line	\$ 54,280.00			\$ 25,000.00			Washington	130
28-Jul-10	15-Sep-10	05-Apr-11	CIRCLEVILLE TOWN WATER SYSTEM	16002	new tank	\$ 315,000.00	\$ -	\$ 165,000.00	\$ 100,000.00	2.54	20	Piute	530
19-May-10	14-Jul-10	16-May-11	THOMPSON SPECIAL SERVICES DISTRICT	10004	replace pipeline	\$ 546,000.00		\$ 127,000.00	\$ 419,000.00	0.00	30	Grand	39
17-May-10	14-Jul-10	22-Dec-10	MINERSVILLE WATER SYSTEM	01004	transmission line replacement	\$ 573,000.00		\$ 573,000.00		2.53	20	Beaver	907
22-Sep-09	13-Jan-10	21-Jul-11	COPPERTON IMPROVEMENT DISTRICT	18005	connection to Jordan Valley WCD	\$ 454,000.00		\$ 227,000.00	\$ 227,000.00	2.86	20	Salt Lake	990
21-Sep-09	12-Nov-09	25-Jan-10	LA VERKIN CITY WATER SYSTEM	27009	Waterline upgrades	\$ 760,000.00		\$ 720,000.00		2.90	20	Washington	4500
11-May-09	04-Nov-10	02-Feb-11	DRAPER CITY WATER SYSTEM	18133	New tank pipeline	\$ 2,412,000.00	\$ 397,000.00	\$ 2,015,000.00		2.40	20	Salt Lake	15000
17-Apr-09	10-Mar-10	25-Oct-10	EUREKA TOWN	12004	Pump house	\$ 68,934.00			\$ 68,934.00	0.00		Juab	669
18-Feb-09	23-Apr-09	21-Jan-10	PRICE MUNICIPAL CORPORATION	04007	Distribution line replacement	\$ 1,906,000.00		\$ 1,906,000.00		2.07	20	Carbon	9312
03-Dec-08	14-Jan-09	18-Nov-09	KINGSTON TOWN WATER SYSTEM	16004	emergency lining of tank	\$ 113,000.00	\$ -	\$ 57,000.00	\$ 56,000.00	0.00	20	Piute	173
04-Aug-08	10-Sep-08	01-Apr-09	LOA TOWN WATER SYSTEM	28004	4,000-foot WL	\$ 38,000.00	\$ 1,000.00	\$ 37,000.00	\$ -	2.21	10	Wayne	490
15-Jul-08	10-Sep-08	30-Apr-09	WALES TOWN WATER SYSTEM	20010	New well and well house			\$ 250,000.00	\$ 250,000.00			Sanpete	300
20-Feb-08	29-Feb-08	18-Jul-08	HENRIEVILLE TOWN WATER SYSTEM	09006	replace 700-feet of transmission line	\$ 100,000.00	\$ -		\$ 100,000.00			Garfield	300
12-Feb-08	11-Jul-08	07-Jan-09	SPRINGDALE TOWN WATER SYSTEM	27017	New tank, distribution lines	\$ 2,969,000.00	\$ 200,000.00	\$ 2,000,000.00	\$ 769,000.00	1.00	30	Washington	529
07-Nov-07	11-Jan-08	06-Nov-08	PAROWAN CITY WATER SYSTEM	11010	new well, redevelop springs, replace waterlines	\$ 2,137,000.00	\$ 214,000.00	\$ 1,923,000.00	\$ -	2.05	20	Iron	2500
18-May-07	13-Jul-07	18-Oct-07	CEDAR HILLS TOWN WATER SYSTEM	25137	new well	\$ 2,178,218.00	\$ 110,000.00	\$ 2,090,000.00	\$ -	2.71	20	Utah	10066
02-Jan-07	11-May-07	02-Aug-07	CIRCLEVILLE TOWN WATER SYSTEM	16002	Redevelop springs	\$ 242,000.00		\$ 242,000.00		2.85	20	Piute	530
21-Dec-06	02-Mar-07	18-Dec-08	ESCALANTE TOWN WATER SYSTEM	09004	replace WL, rehab well, develop spring	\$ 4,355,791.00	\$ 23,000.00	\$ 1,560,000.00	\$ 600,896.00	2.46	30	Garfield	792
20-Sep-06	17-Nov-06	14-May-07	GLEN CANYON SSD #1	13003	distribution system install & upgrade	\$ 850,000.00	\$ 39,000.00	\$ 484,000.00	\$ 327,000.00	0.00	20	Kane	480
14-Aug-06	17-Nov-06	30-May-07	CLARKSTON TOWN WATER SYSTEM	03004	650,000 Gallon Storage Tank	\$ 785,000.00	\$ 80,000.00	\$ 705,000.00	\$ -	2.74	20	Cache	750
01-Aug-06	17-Nov-06	10-Jan-08	ORDERVILLE TOWN WATER SYSTEM	13008	new well, 2 storage tanks, and 30,000 ft of waterline	\$ 3,918,000.00	\$ 75,500.00	\$ 1,569,000.00	\$ 600,000.00	2.22	30	Kane	600
10-Jul-06	14-Sep-07	11-Dec-08	BEAR RIVER WCD-SO WILLARD	02077	0.5MG storage tank, 5,600' 16" transmission line, new well & pump house (2in & 4in connect and 12in WL)	\$ 3,378,000.00	\$ 480,000.00	\$ 1,818,000.00	\$ 600,000.00	2.19	20	Box Elder	0
21-Jun-06	14-Jul-06	21-Nov-06	CEDAR FORT WATER SYSTEM	25009	1.5 mile WL, pressure regulators, chlorinator	\$ 666,000.00	\$ 10,000.00	\$ 506,000.00	\$ -	2.38	20	Utah	400

Utah State Revolving Fund Loan Program

Construction Projects 2005-Present

Date Received	Date Authorized	Date Closed	System Name	System Number	Project Description	Project Cost Authorized	System Contribution	Loan Amount Authorized	Grant Amount Authorized	Interest Rate Authorized	Repayment Term Authorized	County	POPULATION
11-May-06	14-Jul-06	13-Mar-07	GUNLOCK SPECIAL SERVICE DISTRICT	27005	New tank and distribution system construction/upgrade	\$ 760,000.00	\$ 112,000.00	\$ 263,000.00	\$ 86,000.00	3.33	20	Washington	130
23-Mar-06	11-May-06	19-Oct-06	PANGUITCH CITY WATER SYSTEM	09007	Spring redevelopment	\$ 293,000.00	\$ 45,000.00	\$ 138,000.00	\$ 35,000.00	1.93	20	Garfield	1600
11-Jan-06	03-Mar-06	03-Aug-06	MILLVILLE CITY	03012	new booster pump, storage tank, & transmission line	\$ 2,119,000.00	\$ 200,000.00	\$ 1,741,000.00	\$ 178,000.00	2.23	25	Cache	1900
05-Dec-05	03-Mar-06	07-May-07	VERNON WATERWORKS SPECIAL SERVICE DIST	23007	storage tank, upgrade to well, 7200-ft WL	\$ 1,124,000.00	\$ 47,000.00	\$ 686,000.00	\$ 391,000.00	0.00	30	Tooele	300
14-Nov-05	13-Jan-06	09-May-06	PLEASANT GROVE CITY	25022	20" transmission line	\$ 350,000.00	\$ -	\$ 350,000.00	\$ -	1.70	20	Utah	33509
19-May-05	15-Jul-05	24-Apr-06	MEADOW TOWN WATER SYSTEM	14009	new well, new tank, distribution upgrades	\$ 922,500.00	\$ -	\$ 492,000.00	\$ 430,500.00	3.04	25	Millard	320
31-Mar-05	13-May-05	01-Oct-07	CENTERFIELD TOWN WATER SYSTEM	20001	WTP	\$ 2,752,000.00		\$ 69,000.00	\$ 35,000.00	0.00	25	Sanpete	1367
21-Mar-05	13-May-05	14-Oct-05	ANTIMONY TOWN WATER SYSTEM	09001	new tank, x-line, update SP plan, redev spring	\$ 311,000.00	\$ 95,000.00	\$ 148,000.00	\$ 68,000.00	0.00	20	Garfield	135

\$ 53,224,308.00 \$ 2,401,080.00 \$ 33,545,000.00 \$ 7,316,818.84

Attachment 2

Utah Wastewater Loan Fund Program

Construction Projects 2005 to Present

Eligibility	Fund	Loan Recipient	Project Type	QWB Loan	QWB Grant/PF	Grant/Other Loan Amt	Project Cost	County	Authorizatio	Obligation	Int/HGA	Term	Type	Population	Payments	Status
UWLF/HGF	5260/5265	Eagle Mountain	Sewer Rehab. / New Pump Station & Force Main	490,000	598,000	598,000	1,088,000	Utah	6/25/2014		1.00%	30 yr	Loan/HG	21,415	0	Design
UWLF	5260	PRWID	Equipment Upgrade/Replacement Post-Flooding	600,000		600,000 CIB	1,200,000	Carbon	12/16/2014	4/9/2015	1.00%	20 yr	Loan	13,000	319,147	Construction
UWLF/HGF	5260/5265	Long Valley SID	Sewer Rehab. / Lagoon System Upgrade	1,150,000	1,150,000	2,300,000 CIB	4,600,000	Kane	6/26/2013	10/7/2014	0.00%	30 yr	Loan/HG	1,000	2,636,489	Construction
1SRF/UWLF	5255/5260	Ephraim City	Lagoon Rehab. / Winter Storage / Land App. System	2,553,000		219,327 Local + CDBG	2,772,327	Sanpete	5/1/2013	9/9/2014	2.00%	20 yr	Loan	5,418	2,657,064	Construction
UWLF/HGF	5260/5265	Coalville City	New Wastewater Treatment Plant / Sewers Extension	1,144,000	4,121,000	USDA RD	11,786,000	Summit	8/28/2013	9/12/2013	0.00%	20 yr	Loan/HG	1,369	10,836,696	Construction
UWLF	5260	Midvalley ID	Sewers Upgrade	1,645,000		Local Share	1,795,000	Salt Lake	2/20/2013	8/21/2013	2.80%	20 yr	Loan	29,400	1,671,718	Construction
UWLF	5260	Ticaboo EID	Sewers / Wastewater Treatment Upgrade	184,000	200,000	400,000 CIB	784,000	Garfield	1/11/2012	8/15/2012	0.00%	24 yr	Loan/HG	350	784,000	closed out
UWLF	5260	Murray City	Sewers Upgrade	2,626,000		150,000 Local Share	2,964,000	Salt Lake	10/26/2011	6/12/2012	2.50%	20 yr	Loan	11,701	1,515,123	Construction
UWLF	5260	Ticaboo SSD	Sewer Rehab.	200,000	200,000	400,000 CIB	800,000	Garfield	1/28/2009	10/7/2009	0.00%	25 yr	Loan/HG	350	800,000	closed out
UWLF	5260	South Valley SD	Pump Station	1,000,000		10,000,000 Local	11,124,567	Salt Lake	3/10/2008	9/8/2009	-	-	Int Rate Buydown	na	11,124,567	closed out
UWLF	5260	Perry City	New Regional Wastewater Treatment Plant	5,675,000			5,822,500	Box Elder	na	12/16/2008	3.00%	20 yr	Loan	3,950	5,822,500	closed out
UWLF	5260	Willard City	New Regional Wastewater Treatment Plant / Sewers	12,000,000	5,636,000		17,636,000	Box Elder	na	12/16/2008	0.00%	30 yr	Loan/HG	1,774	17,636,000	closed out
UWLF	5260	Enterprise City	New Wastewater Treatment Plant / Sewers Extension	3,316,000		125,000 Local	3,581,000	Washington	9/14/2007	8/28/2008	0.00%	20 yr	Loan	1,643	3,581,000	closed out
UWLF	5260	SUVMWA (NPS)	Various Non-Point Source Projects	225,000			225,000	Utah	2/15/2008	4/7/2008	2.40%	10 yr	Loan	na	200,000	Active
UWLF	5260	SUVMWA	Property/Easements for Future Regional Treatment Plan	4,775,000		29,000 Local	5,100,000	Utah	2/15/2008	4/7/2008	2.40%	10 yr	Loan	na	5,000,000	closed out
UWLF	5260	East Carbon City	New Sewers	889,000			-	Carbon	na	6/27/2007	0.00%	30 yr	Refi-Loan	1,271	-	closed out
UWLF	5260	Plain City	New Wastewater Treatment Lagoons	3,000,000			3,018,000	Weber	na	6/22/2005	3.00%	20 yr	Loan	5,440	3,018,000	closed out
UWLF	5260	Manila Town	Sewer Extension	325,000			1,025,000	Daggett	na	6/22/2005	0.00%	20 yr	Loan/HG	325	1,025,000	closed out