

August 10, 2017

BOARD MATTER G-1

ACTION: Consider one application for a Drinking Water State Revolving Fund (DWSRF) Core Program Loans including special program incentives and special program requirements

AUTHORITY: W.S. §§ 16-1-301 through -305 and State Loan and Investment Board Rules, Chapter 16

ALTERNATIVES: Approve or Deny Loan Requests

BACKGROUND:

In accordance with Federal Capitalization Grant Condition #8 (FFY10, FFY11, FFY12, FFY13, FFY14 & FFY15 Capitalization Grant awards) a portion of the capitalization grant funds must be used to provide additional subsidization. The Office of State Lands and Investments has chosen additional subsidization in the form of principal forgiveness. Principal forgiveness will be applied upon written notice from the recipient, in the form of a certificate of substantial completion for the approved project.

FFY 2010 Grant – at least \$4,071,900 but not more than \$13,573,000
FFY 2011 Grant – at least \$2,825,400 but not more than \$ 9,418,000
FFY 2012 Grant – at least \$1,795,000 but not more than \$ 2,692,500
FFY 2013 Grant – at least \$1,684,200 but not more than \$ 2,526,300
FFY 2014 Grant – at least \$1,769,000 but not more than \$ 2,653,500
FFY 2015 Grant – at least \$1,757,400 but not more than \$ 2,636,100
FFY 2016 Grant – at least but no more than \$1,662,400, plus
an additional \$2,493,600 for disadvantaged communities

**Total Principal Forgiveness originally available for allocation:
\$15,565,300 - \$37,655,400**

In accordance with Federal Capitalization Grant Condition #9 (FFY10 & FFY11 Capitalization Grant awards) at least twenty percent (20%) of the capitalization grants must be used for “Green Reserve” projects. The FFY12, FFY13, FFY14, FFY15 & FFY16 capitalization grant awards include the suggestion to continue funding “Green Reserve” projects, but it is not required:

FFY 2010 Grant	\$2,714,600
FFY 2011 Grant	\$1,883,600
FFY 2012 Grant	\$0
FFY 2013 Grant	\$0
FFY 2014 Grant	\$0
FFY 2015 Grant	\$0
FFY 2016 Grant	\$0

**Total Green Project reserve required for 2010 and 2011: \$ 4,598,200
Total Green Project reserve in excess of requirement: \$ 11,834,322**

In 2016, Chapter 16 of the State Loan and Investment Board’s Rules and Regulations was amended to establish a disadvantaged community program and offer extended loan terms to disadvantaged communities within the DWSRF loan program. A point system was established to determine an applicant’s eligibility under the disadvantaged communities program. Points are awarded based on income, unemployment rates, and population trends. The amount of special program incentives (principal forgiveness) will vary by applicant depending on the total points awarded. If an applicant is found to meet the eligibility criteria, they would be eligible for principal forgiveness of up to seventy-five percent. For entities that do not meet the disadvantage community eligibility criteria, they could be awarded principal forgiveness of up to seventy-five percent based on their Annual Median Household Income (AMHI).

At this date, additional financial analysis is required to determine the applicants' ability to service its debt based on the most current three years financial statements and a dedicated source of repayment. As such, any approval by the Board should be conditioned upon the Staff's financial review.

Chapter 14, Section 4(v)(A), State Loan and Investment Board Rules, provides an interest rate of 0% per annum for all eligible applicants that qualify for the funding reserves special program requirement (Green Project Reserve).

ANALYSIS:

The current amount of principal forgiveness available is \$0 with the Green Project Reserve minimum requirement exceeded by \$11,834,322 in conditionally approved projects. Staff received one application (see attachment) for consideration at today's meeting requesting \$65,290 in principal forgiveness and \$99,000 in Green Project Reserve (GPR).

DWSRF Applicant Entity	Project Name	Total Funding Requested (Includes Prin. Forgiveness)	Principal Forgiveness Requested	Recommended Funding (Includes Prin. Forgiveness)	Recommended Principal Forgiveness
Pineview Improvement & Service District	Water Storage Tank	\$261,160	\$65,290	\$261,160	\$0
Total		\$261,160	\$65,290	\$261,160	\$0

Should the Board approve the above fully recommended projects, there would be \$0 in principal forgiveness available for future consideration and the Green Project Reserve minimum requirement will be exceeded by \$11,933,322.

DIRECTOR'S RECOMMENDATION:

The Director recommends conditional approval for funding of the one project, as set forth above and provided in the attachment. Approval is conditioned on OSLI staff review and analysis of the applicant's financial information and the completion of Part 2 of the application.

BOARD ACTION: Board Approved

**OFFICE OF STATE LANDS AND INVESTMENTS
Drinking Water State Revolving Fund**

PRE-APPLICATION COVER SHEET

Applicant: Pineview Improvement & Service District Date: 03/22/17

Address: 47 Pineview Drive Gillette, WY 82716

Contact Person: David Collins

E-mail address: _____ Phone No.: (307) 687-7317

Engineer: DOWL, LLC

E-mail address: jroberts@dowl.com Phone No.: (307) 257-8666

Tax I.D. Number (required): 47-4588470 DUNS No. (required) 80629106

Population	57
Annual Median Household Income	80,060.00
Project Ranking on Intended Use Plan/Year of Intended Use Plan	0
Date of Mandatory Public Meeting	05/02/17

Project Ranking To Be Determined in 2018 IUP

Project Name: Pineview ISD Water Storage Tank

Brief Description: Construction of a new steel bolted water storage tank and control building with pumps and a backup generator, plus individual meter pits at each lot.

Funding Source	Amount Requested	AMT OF PRINCIPAL FORGIVENESS REQUESTED
NOTE: LOAN ORIGATION FEE OF .5% IS DUE AT TIME OF APPROVAL		
	Estimated Amount of Loan Origination Fee	
	\$1,305.80	
Drinking Water SRF Loan (Special Program 2.5% Interest)	\$162,160.00	\$40,540.00
Drinking Water SRF Loan (Special Program-Green Project 0% Interest)	\$99,000.00	\$24,750.00

Total SRF Funding Requested \$ 261,160.00 (Total from table above)
 Applicant's Other Funding \$ 418,840.00 (Total from table below)
 Total Project Cost \$ \$ 680,000.00

65,290

*List applicants other funding sources individually. Provide funding source, funding amount and status for each source. (Supporting documents should be attached such as Award Letters)

Funding Source	Funding Amount	Funding Status	Supporting Documents Attached
WWDC Grant	\$369,840.00	Approved	Yes
Campbell County District Support Grant	\$49,000.00	Pending	Yes

PRE-APPLICATION SUMMARY FORM

Applicant: Pineview Improvement & Service District

Project Name: Pineview ISD Water Storage Tank

Water Rate Information

Current Number of Service Connections: 22

Water Meters: Water Meters in Use? [] Yes [x] No

Rate per 20,000 gallons or monthly flat rate if not metered: \$80.00

Rate Schedule as more water is used: N/A

Attach rate schedule if applicable - Schedule attached? [x] Yes [] No

Sewer Rate Information

Rate per 1,000 gallons or monthly flat rate N/A Monthly minimum N/A

Assessed Valuation this FY: N/A

Assessed Valuation for each of the last three FY's: N/A

Total Mills levied this FY: N/A

Type of entity applying (City, County, District, Etc.): District

Total SRF Funding: \$ 261,160.00

Total Project Cost: \$ 680,000.00

Other Funding: \$ 418,840.00

Population served (directly and indirectly): 57

Annual Median Household Income: \$ 80,060.00

(https://sites.google.com/a/wyo.gov/osli/grantsloans/qualifications)

Project Ranking on Intended Use Plan: To Be Determined in 2018 IUP

Year of Intended Use Plan: 2018

Priority Ranking if Requesting Funding for Multiple Projects: N/A

Project Schedule: Estimated Start Date: 09/01/17 Estimated Construction End Date: 12/31/18

Dedicated Repayment Source: The District is currently collecting assessments through the County, and is saving the funds until the repayment period begins. The District will continue assessing until the loan is paid off. Customers will pay the assessment of \$765/year for 20 years, or until the total loan value is repaid.

For Districts Only:

Geographical area: Located in a portion of the W1/2 of Section 25 and a portion of the east 1/2 of Section 26,

Township 52N Range 73W of the 6th Principal Meridian. It is approximately 10 miles north of the City of Gillette west of Highway 14.

Date District Formed: 07/07/15

Number and Types of Lots Served: Water System-22 lots (42 total lots inside District Boundary) lot size=2.2-11.2 acres

DETAILED PROJECT DESCRIPTION: (If project is needed to meet federal or state health and/or safety requirement, the applicant must provide the specific health or safety requirements the project will address)

The District currently has no water storage appurtenances. This project will provide water storage in the form of a bolted steel tank with a control building, pumps and a backup generator. Individual meter pits for each lot will be installed, which will allow the District to adopt a tiered rate schedule to promote water conservation. The storage tank and backup generator will provide water to the customers in the event of well pump failure or routine system maintenance. The District currently has no water supply when the well is out of operation for repairs.

I certify that I am authorized to sign this application on behalf of our governing body, and the applicant will comply with all appropriate requirements if approved. To the best of my knowledge and belief, the information in this application is true and correct. I understand the State may review any relevant documents or instruments relating to the analysis of this application.

David Collins, President
Name and Title (typed)

David Collins
Signature

5-10-2017
Date

David Collins
Name and Title of Contact Person

Phone No. (307) 687-7317

Pineview I&SD Proposed Green Funding Item Breakdown

Lot Meters

Preparation of Final Designs and Specifications (10%)		\$7,000
Permitting and Mitigation		\$3,000
Legal Fees		\$0
Acquisition of Access and Right of Way		\$0
Cost of Components		
Mobilization, Bond, and Insurance	\$3,000	
18" Thermal-Coil Meter Boxes (22 @ \$3000/EA)	\$66,000	
Construction Subtotal		\$69,000
Engineering During Construction (10%)		\$7,000
Subtotal		\$86,000
Contingency (Subtotal x 15%)		\$13,000
TOTAL COST		\$99,000

The cost estimate above shows the items proposed for Green funding. The meter pit prices are based on estimates from recent projects completed here in Gillette. The cost incurred with engineering during design and construction as well as the contingency was included because these costs are all associated with the installation of the individual lot meter pits.

The table on the following page displays the estimated cost breakdown of the total project. This cost estimate was included in the WWDC Level III Funding Application, and was the cost estimate used when determining the amount assessed by Campbell County.

DC

Pineview I&SD Project Cost Estimate for Recommended Alternative #5

Estimated Level III WWDC Eligible Costs:		
Preparation of Final Designs and Specifications (10% of Subtotal #2)	\$	38,000
Permitting and Mitigation	\$	3,000
Acquisition of Access and Rights of Way	\$	4,000
Opinion of Title	\$	3,000
Pre-Construction Costs (Subtotal #1)		\$ 48,000
Cost of Project Components		
Mobilization, Bond, and Insurance	\$	34,000
Construction Stormwater Management	\$	2,000
35,000 Gal. Steel Bolted Epoxy Tank With Installation, Concrete Foundation	\$	115,000
Site Grading & Foundation Preparation	\$	15,000
Underground Waterline Extension and Fittings	\$	24,000
Tank Level Controls	\$	6,000
Chain Link Fence (300 LF @ \$50/LF)	\$	15,000
Tank Access Road Construction (700 SY @ \$20/SY)	\$	14,000
Surface Restoration (20,000 @ \$0.50/SF)	\$	10,000
20 KW Generator & Transfer Switch	\$	40,000
Electrical Service Upgrade	\$	15,000
10 HP Pumps & Motors	\$	15,000
Control Building Interior Electrical (Electric Heat)	\$	15,000
Control Building Interior Piping and Valves	\$	20,000
Control Building (250SF@\$128/SF)	\$	32,000
Construction Cost (Subtotal #2)		\$ 372,000
Construction Engineering Costs (Subtotal #2 x 10%)	\$	38,000
Components and Engineering Costs (Subtotal #3)		\$ 410,000
Contingency (Subtotal #3 x 15%)	\$	62,000
Construction Cost Total (Subtotal #4)		\$ 472,000
Total Project Cost (Subtotal #1 + Subtotal #4)		\$ 520,000
Inflation Costs (3% per year for 2 years)	\$	32,000
Level III Project Eligible Costs:		\$ 552,000
Estimated Non-Eligible Project Costs:		
Preparation of Final Designs and Specifications (10% of Subtotal #2)	\$	7,000
Permitting and Mitigation	\$	3,000
Acquisition of Access and Rights of Way	\$	-
Title of Opinion	\$	-
Environmental Studies and Report, Grant Application and Loan Fees	\$	22,000
Pre-Construction Costs (Subtotal #1)		\$ 32,000
Cost of Non-Eligible Project Components		
Mobilization, Bond, and Insurance	\$	3,000
18" Thermal-Coil Meter Boxes (22 @ \$3000)	\$	66,000
Non-Eligible Construction Cost (Subtotal #2)		\$ 69,000
Construction Engineering Costs (Subtotal #2 x 10%)	\$	7,000
Components and Engineering Costs (Subtotal #3)		\$ 76,000
Contingency (Subtotal #3 x 15%)	\$	12,000
Construction Cost Total (Subtotal #4)		\$ 88,000
Total Project Cost (Subtotal #1 + Subtotal #4)		\$ 120,000
Inflation Costs (3% per year for 2 years)	\$	8,000
Project Non-Eligible Costs:		\$ 128,000

DC