

Wells VS Mountain Regional Wholesale Connection

FINANCIAL COMPARISON

TARGETED WELL SITES	DRILLING WELLS	MOUNTAIN REGIONAL WHOLESALE CONNECTION
A1 - Drilling Costs*	\$505,600	
B2 - Drilling Costs*	\$505,600	
C1 - Drilling Costs*	\$439,000	
D1 - Drilling Costs*	\$505,600	
Engineering costs, compliance, and construction management	\$727,600	\$38,520
new water source testing	\$8,840	
site preparation	\$40,000	
Well House and Equipment for B2 and C1 (?\$ for A1 & D1)**	\$1,662,400	
Well House and Equipment Engineering **	\$364,000	
Transmission Piping x 4 **	\$580,000	
Legal and Administrative	\$200,000	
Contingency x 4 (15%)	\$342,000	
Easement for well A1	\$50,000	
Willow Stick Work	\$12,500	
Mountain Regional Wholesale Connection		\$7,401,000
Source	Estimates are taken from J&D 2022 costs - expect higher costs	Estimate from phase 1 feasibility study
Total	\$5,943,140	\$7,439,520

Please note - some well line item estimates were not included when the committee was not confident in estimating that line item, therefore expect a much higher total when the work is contracted.

FINANCING COMPARISON

Estimated cost	\$5,943,140	\$7,439,520
Excess USDA loan money (2.5% interest/40yrs)	\$2,439,075	\$2,439,075
UWIP Grant for MR Wholesale Only		\$1,875,000
Net monthly pmt with estimated 3% loan-40 years per lot		\$34
Estimated net cost to POA	\$3,504,065	\$3,125,445

Note: the USDA has not approved the use of the loan balance for additional wells but they have approved it for the wholesale connection

Mountain Regional Connection cost/year		\$1,836
AES	\$48,000	\$48,000
Utilities	\$12,000	\$12,000
Maintenance & Repairs	\$25,000	\$25,000
Water Rights	\$16,000	\$16,000
Top storage tank	\$43,000	\$43,000
		0.0185
water base rate per gallon	0.0424	www.mtnregionalwaterutah.gov
yearly water cost per household based on 14043 gallons used	\$595	\$246
Well three loan payback	\$144,540	\$144,540
TOTAL YEARLY COST (ALL LOTS)	\$289,135	\$290,622
COST PER YEAR PER LOT (323)	\$895	\$900
COST PER MONTH	\$75	\$75

* See attached email from Mike Zimmerman
** JDE Project #2102-041 pg. 22 & 30

See attached
See attached

*** This estimate is provided solely for planning and informational purposes. It is **not a guaranteed price** or a binding agreement. The final cost of services may vary slightly based on actual labor, materials, time, scope changes, site conditions, or other factors encountered during the performance of the work. Any increase or decrease in the final cost will reflect the actual services rendered and expenses incurred. The member will be notified of material changes whenever reasonably possible. Acceptance of this estimate does not obligate either party in proceed with the work until a separate written agreement is executed. By reviewing this estimate, the member acknowledges and understands that the amounts listed are approximate.

SIDE BY SIDE COMPARISON

CONSIDERATIONS / CRITERIA	DRILLING WELLS	MOUNTAIN REGIONAL WHOLESALE CONNECTION
Reliability factor 1	Susceptible to drought conditions	More resilient to drought conditions
Reliability factor 2	Well yields diminish over time	MR currently has 19 Wells and pulls H2O from the Weber river, if they needed more water they would drill more wells.
Flow Disruption	Susceptible to drought conditions	In 25 years, MR has never cut off their services. Well #2 can serve as a back up if needed.
Enough H2O for build out	Questionable until the wells are drilled and yields are determined	Yes
Cost	\$6.2 million minimum for 4 wells. Number of wells needed is dependant on yield and Willowstick said 4 or more wells would be needed. This does not include future well replacement costs and maintenance.	7.5M
Financing approvals received	No	Yes
Funding in place	No	Yes - funding is secured through the USDA and UWIP. The UWIP awarded LRE a grant of \$1.875 M and a loan of \$1.875 M for the Wholesale connection.
Maintenance Costs	Wells need maintenance and their yields diminish over time therefore additional wells will have to be drilled in the future.	Zero - maintained by Mountain Regional
Time to complete	2-3 years maybe longer depending on length of time to obtain funding	1-2 years per Andy Garland
Requires maintenance	Yes	No
Supply	Limited	Not limited
Safe water for drinking according to the safe Drinking water standards	Unknown, we only have to test for coliform, nitrates and sulfates.	Yes - MR water is tested and treated for 90+ regulated contaminants and up to 30 non-regulated contaminants such as PFAS's.