



Post-Issuance Update Report | October 2022  
 October 13, 2022

**Re: Green Bonds Post-Issuance Report for Water Revenue and Refunding Bonds, Series 2021 (Green Bonds) from Park City, Utah**

This statement and the attached report are provided for Park City Municipal Corporation to voluntarily share information pertaining to the issuance of the Water Revenue and Refunding Bonds (Green Bonds), Series 2021. As part of the Green Bond Principles administered by the International Capital Market Association, financial and impact reporting is recommended as a best practice for issuers of green bonds.

The City confirms that as of October 13, 2022 Park City Municipal Corporation is in conformance with the requirements of the Green Bond Principles.

Attached herewith is a report which provides an update on the eligible projects and assets.

**GREEN BONDS POST-ISSUANCE REPORT | October 2022**

**Issuer:** Park City, Utah  
**Bond:** Water Revenue and Refunding Bonds, (Green Bonds), Series 2021  
**Par:** \$66,135,000  
**Issue Date:** October 13, 2021  
**Report Date:** October 13, 2022  
**Project(s):** (See Table 1)

**Green Bonds Designation and Eligible Category**

The 2021 Bonds are being used to finance and refinance significant upgrades to the City’s drinking water system (collectively, “Water System Improvements”). The 2021 Bonds have refunded the City’s Water Revenue bonds Series 2012 and the City’s Water Revenue and Refunding Bonds Series 2012B. The financed projects improve water quality, increase reliability, efficiency, and treatment capacity. An overview of the projects to be financed with new money is shown in Table 1. The Water System Improvements are eligible projects as defined by the Green Bond Principles in the project categories of *Sustainable Water Management* and *Green Buildings*.

**Table. 1**

Approximate Bond Proceeds Amount	Description	Groundbreaking	Environmental Benefit
\$53.8 million	3Kings Water Treatment Facility construction	Fall/Winter 2019	Increase treatment capacity, including for mining influenced water; Designed to treat 7 million gallons per day and align with net zero energy standards
\$2.5 million	Kings Crown Water Tank	2023-2025	Increase system reliability and redundancy
\$1.2 million	Transmission and distribution lines	April 2020	Support effective delivery of treated and untreated water to and from 3Kings
\$13.4 million	Water infrastructure upgrades	2021	Reduce water loss and increase system resilience by replacing infrastructure in poor condition



**About the Bonds and Use of Proceeds**

**3Kings Water Treatment Facility:** A majority of the 2021 Bond proceeds are being used to construct the \$104 million 3Kings Water Treatment Plant (“3Kings”), scheduled for completion in Summer 2023. Excluding certain water treatment and distribution equipment, the 3Kings facility is designed to meet net zero energy standards and includes many innovative and sustainable building features. The design process included energy modeling which informed selection of the HVAC system, lighting controls, and other building control systems. Major loads of the building will be segregated (i.e. sub metering). The facility includes microhydro power generation, solar panels and energy efficiency features throughout.

When completed, the 3Kings facility will replace the City’s existing Spiro Water Treatment Plant and will have capacity to treat approximately 7 million gallons of water per day, delivered from a City spring and the Judge and Spiro tunnels. The 3Kings facility will improve the City’s ability to remove metals from source water, ensuring regulatory compliance and preventing ecosystem impairment.

**Transmission, Distribution and Storage:** 2021 Bond proceeds are being used to fund installation and replacement of transmission and distribution lines to convey water to and from the new 3Kings facility. The Kings Crown Water Tank will store approximately 2 million gallons of water and provide essential storage for downtown Park City and Vail Ski Resort (located in Park City). The increased storage capacity will improve redundancy and water storage during episodes of drought.

**Refunding:** 2021 Bond proceeds refunded \$1,925,000 of the 2012 Bonds that financed transmission lines for Quinn’s Junction and improvements at the Quinn’s Water Treatment Plant. The 2021 Bonds also refunded \$5,525,000 of the 2012B Bonds that financed water system improvements at Judge Water Treatment Plant, Quinn’s Water Treatment Plant, pipeline replacements, other infrastructure improvements, and refunded \$390,000 of Park City’s Water Revenue Bonds, Series 2006. The Judge Water Treatment Plant treats mining-influenced water from the Judge Tunnel. The Quinn’s Water Treatment Plant treats water for the Weber Basin Water Conservancy District. Improvements to these facilities have ensured efficient treatment and delivery of drinking water for Park City residents, through transfers, until the 3Kings plant is operational.

**Current Bond Activity**

**Table. 2**

2021 Bond Activity	Current Budget (\$)	Expended (\$)	Balance (\$)
3 Kings Water Treatment Facility	\$57,875,000	\$37,376,399.84	\$20,498,600.16
Water and Distribution Lines	\$1,173,000	\$1,173,000.00	\$0
Water infrastructure upgrades	\$5,952,000	\$1,487,792.38	\$4,464,207.62

**2021 Green Bonds:** Proceeds of the 2021 Green Bonds are being used exclusively used for construction of the 3 King Water Treatment Facility, Kings Crown Water Tank, water and distribution lines, and water infrastructure upgrades as seen in Table 2. Approximately \$25 million in 2021 Green Bond proceeds remain outstanding. All proceeds expended as of the date of this post-issuance report have been spent on eligible green projects.

**Status of Projects and Construction Updates**

**Completed Work:**

Spiro Tunnel rehabilitation Phase I complete. This involved stabilizing the first 400 linear feet of tunnel, installing major water diversion and piping in the tunnel, and vault upgrades to secure this critical water supply for the community.

Spiro Tunnel rehabilitation Phase II is underway and involves tunnel stabilization from about 2,000 linear feet into the tunnel to about 8,000 linear feet inside the tunnel. Work includes stabilizing the tunnel, replacing track and piping.

Pond Dredging – dredged two major ponds on the Park City Municipal Golf Course. Added about 6 feet of depth to these ponds which increased the water storage capacity by several million gallons. This helps improve water quality by providing an opportunity for contaminants to settle before being discharged to McLeod Creek and by helping keep the water temperature lower helping to reduce organic growth which deplete dissolved oxygen levels in the Creek. The additional water storage capacity also adds resilience to our water supply as this additional water could be utilized in a water emergency.



Empire Tank – Replace 40-year-old water tank with a new buried concrete water tank. This new tank will receive water draining from the Judge Tunnel and buffer the water flow rate in order to send a constant and consistent flow rate to 3Kings WTP.

Upgraded Distribution and Transmission lines – older and undersized pipelines conveying raw water to 3Kings and conveying treated water from 3Kings to the City’s drinking water system were replaced with larger pipelines. This replacement ensures decades of reliable and efficient water transmission and distribution for the City.

3Kings WTP – this project is about 75% complete and is on schedule and on budget. The project started in late 2019 and we are expecting to begin testing procedures, and production drinking water, around March 2023. Final completion is projected to be mid-June 2023. Golf course restoration will begin fall of 2022 with final restoration complete by mid-summer 2023.