



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
Roger G. Fridal
Brad Johnson
David L. Sakrison
David Stevens, Ph.D.
Mark Stevens, M.D.
Kenneth H. Bousfield, P.E.
Executive Secretary

DRINKING WATER BOARD MEETING
February 26, 2015 - 2:00 pm
The Dixie Convention Center - Garden Room
1835 Convention Center Drive
St. George, Utah 84790

FINAL MINUTES

1. Call to Order – Chairman Hansen

Paul Hansen, Board Chairman, called the meeting to order at 2:00 pm.

2. Roll Call – Ken Bousfield

Board Members present: Paul Hansen, Betty Naylor, Brett Chynoweth, David Stevens, and Roger Fridal.

Board Members excused: Tage Flint, Brad Johnson, Mark Stevens, and David Sakrison.

Division Staff present: Ken Bousfield, Michael Grange, Heather Bobb, Marianne Booth, Gary Kobzeff, Jesse Johnson, and Camron Harry.

3. Introductions – Chairman Hansen

In the interest of time, this item was skipped.

4. Approval of the Minutes:

A. January 9, 2015

- Roger Fridal moved to approve the minutes. Betty Naylor seconded. The motion was carried unanimously by the Board.

5. Financial Assistance Committee Report

A. Status Report – Michael Grange

Michael Grange, Construction Assistance Section Manager with the Division of Drinking Water (DDW, the Division) reported that currently there is \$3.2 million in the State SRF fund and over the course of the next year the Division is expecting an additional \$5.3 million to come into the fund, for a total of \$8.5 million to be available for funding of projects. He also noted that the Division is currently working with 3 systems to close their loans and there are a number of planning loans and construction projects that are in progress.

Michael went on to report that there is currently \$33.5 million in the Federal SRF fund and over the course of the next year the Division is expecting an additional \$17 million to come into the fund; \$6.8 million of which will be from the fiscal year '15 Federal grant, \$1.8 million from State match, \$6.2 million in principal payments, and \$1.5 million in interest; for a total of \$50.5 million to be available for funding of projects.

In response to questions from the Drinking Water Board (DWB, the Board) regarding those planning projects that were coming up on their 2 year mark, Michael stated that he would look into their progress and email their status to the Board Members.

B. Project Priority List – Michael Grange

Michael Grange proposed that 2 new projects be added to the project priority list. The first being Taylor West Weber, with 22.9 points, and a project consisting of a 3 million gallon tank addition, a transmission line, and a new well. The second being the Town of Plymouth, with 10.7 points, and a project consisting of a 500,000 gallon tank. The Financial Assistance Committee (FAC) recommends that the Board approve the updated project priority list.

- David Stevens moved to approve the updated project priority list. Roger Fridal seconded. The motion was carried unanimously by the Board.

C. SRF Applications

i. STATE:

a) Grand Water and Sewer Service Agency – Jesse Johnson

Representing Grand Water and Sewer Service Agency (Grand Water, GWSSA) was Mark Sovine and Robert Worley of Sunrise Engineering.

Jesse Johnson, Environmental Engineer with DDW, informed the Board that Grand Water and Sewer Service Agency is requesting \$242,323 in assistance in order to replace their transmission lines. Grand Water will be contributing an additional \$30,000 toward the project. GWSSA has a local MAGI of \$30,300 or 77% of the State MAGI. Their current water bill is \$49.84, which is 1.97% of the local MAGI. Due to the fact that their transmission line has broken 3 times in the last 18 months this is considered an emergency project. The FAC recommends that the DWB authorize a \$121,000 loan at 1.29% interest or fee per annum for 5 years, with an additional \$121,323 in grant.

- Brett Chynoweth moved to authorize a construction loan of \$121,000 at 1.39% interest for 5 years with an additional \$121,323 in grant to the Grand Water Sewer and Service Agency. David Stevens seconded. The motion was carried unanimously by the Board.

b) Plymouth Town – Gary Kobzeff

Representing Plymouth Town (Plymouth) was Curtis Murray, Mayor of Plymouth, Wes Udy, water operator for Plymouth, and Scott Archibald of Sunrise Engineering.

Gary Kobzeff informed the Board that Plymouth is requesting \$880,000 in assistance to construct a new 500,000 gallon water tank. Plymouth has a local MAGI of \$43,284 or 107% of the State MAGI. Their current water bill is \$24.94 which is .69% of the local MAGI. The proposed financial assistance would raise their water bill to \$51.38 or 1.42% of the local MAGI. The FAC recommends the DWB authorize an \$880,000 construction loan to Plymouth Town with 3.29% interest or fee per annum for 20 years on the condition that they resolve all issues on their compliance report.

There was discussion between the Board, Division Staff, and those representing Plymouth Town regarding the water bill with the proposed funding increase; and whether it would be possible to lower the interest rate and increase the term of the loan to lower that amount.

- Paul Hansen moved to table this item and turn it back to Division Staff to re-evaluate the potential for interest rate reduction and a longer term on the loan; and bring it back before the Board at a later date. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

ii. FEDERAL:

a) Pleasant View , De-authorization – Michael Grange

Michael Grange informed the Board that on January 17, 2014 Pleasant View City was authorized a \$1.977 million construction loan at 2.65% interest for 15 years to drill a new well and construct a 500,000 gallon storage tank but due to the increased costs associated with the new Federal requirements; they are now requesting de-authorization as stated in the attached letter. The FAC recommends that the DWB de-authorize the \$1.977 million construction loan at 2.65% interest for 15 years to Pleasant View City.

Paul Hansen noted that the new Federal requirements would be discussed during the DWB Working Session immediately following the Board meeting.

- Paul Hansen moved to de-authorize a construction loan of \$1.977 million at 2.65% interest for 15 years to Pleasant View City. David Stevens seconded. The motion was carried unanimously by the Board.

b) Sheep Creek Cove HOA, De-authorization – Jesse Johnson

Jesse Johnson informed the Board that on January 17, 2014 Sheep Creek Cove HOA was authorized a \$90,000 construction loan at 4.82% for 20 years but due to the increased costs

associated with the new Federal requirements; they are now requesting de-authorization as stated in the attached letter. The FAC recommends that the DWB de-authorize the \$90,000 construction loan at 4.82% interest for 20 years to Sheep Creek Cove HOA.

- Roger Fridal moved to de-authorize a construction loan of \$90,000 at 4.82% interest for 20 years to the Sheep Creek Cove HOA. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

c) Taylor-West Weber Water – Jesse Johnson

Representing Taylor-West Weber Water Improvement District (TWWWID) was Val Syrrage, manager of TWWWID, and Cody Deeter of Lewis, Young, Robertson, & Burningham.

Jesse informed the Board that TWWWID is requesting \$7,636,391 in assistance to drill and equip a new well, construct a 3 million gallon storage tank, and add approximately 12,000 feet of transmission and distribution lines to their system. TWWW will be contributing an additional \$88,711 toward the project. TWWWID has a local MAGI of \$31,991 or 79% of the State MAGI. The proposed financial assistance would raise their water bill to \$50.91 or 1.91% of the local MAGI. The FAC recommends the DWB authorize a \$6.091 million construction loan at 2.26% interest or fee per annum for 30 years with an additional \$1,545,391 in principal forgiveness to the Taylor West Weber Water Improvement District.

There was discussion between the Board, Division Staff, and those representing TWWWID. It was determined that the new Federal requirements that had caused other systems to request de-authorization had been taken into consideration prior to this request being made and that TWWWID has, by resolution, an annual 3% or cost of living increase to their water bill.

- Brett Chynoweth moved to authorize a construction loan of \$6.091 million construction loan at 2.26% interest for 30 years with an additional \$1,545,391 in principal forgiveness to Taylor West Weber Water Improvement District. David Stevens seconded. The motion was carried unanimously by the Board.

iii. OTHER:

6. Intended Use Plan – Michael Grange

Michael Grange informed the Board that one requirement the Division must comply with every year in order to apply to receive their Federal Capitalization Grant is to prepare an Intended Use Plan (IUP) and submit it for public comment. The IUP informs the Environmental Protection Agency (EPA) on how the Division intends to use Federal funds and includes the current project priority list. Michael stated that due to changes, the deadline for application submittal has been moved to the end of February; therefore, with apologies to the Board, the IUP has already been posted for public comment. Division Staff is requesting that the Board authorize after-the-fact approval to submit the IUP for public comment and approval to submit the IUP and Federal Capitalization Grant application to the EPA.

After discussion between the Board and Division Staff it was determined that public comments can be made for 30 days and an amended IUP can be submitted to the EPA as the Division amends their IUP regularly with their updated project priority list. It was noted that Utah has in excess of \$3 million in its Federal SRF program for projects, of which the EPA likes to see an 85% use rate; and that now is a really good time for water systems to make use of those funds because the bidding environment is favorable due to low construction and material costs.

- Paul Hansen moved to ratify approval of the posting of the Intended Use Plan for public comment and approve the submittal of the Intended Use Plan and Federal Capitalization Grant application. David Stevens seconded. The motion was carried unanimously by the Board.

7. Rural Water Association of Utah Energy Efficiency Equipment Purchase Proposal – Michael Grange

Representing the Rural Water Association of Utah (RWAU) was Dale Pierson, Executive Director, and Vern Steele, Chief Financial Officer/Deputy Director.

Michael Grange presented to the Board the RWAU Equipment Purchase Proposal which would allow the use of State set-aside funds, with concurrence from EPA Region 8 personnel, for the purchase of leak detectors, pipeline cameras, an infrared camera, and a trailer; to be used to assist the small and very small water systems within the State to identify and repair water leaks; ultimately saving energy and improving system efficiency in accordance with the Division's Energy Efficiency Initiative. The estimated cost is less than \$50,000 and the expected useful life of the equipment is up to 10 years with proper maintenance and care. Division Staff recommends that the DWB authorize the allocation of up to \$50,000 from the Federal SRF program set-asides to finance the proposed contract with RWAU and purchase the equipment, authorize Division Staff to prepare a draft proposal and contract and submit it to State Finance for review and comment, and upon approval by State Finance, authorize the Executive Secretary to enact the contract.

In response to questions from the Board, Dale Pierson noted that the use of this equipment and the service of knowledgeable and experienced circuit writers will be at no charge to the water systems. He also informed the Board that once approved and enacted; he will give updates on the use at each Board meeting.

- Betty Naylor moved to authorize the allocation of up to \$50,000 from the Federal SRF program set-asides to finance the proposed contract with RWAU and purchase the equipment, authorize Division Staff to prepare a draft proposal and contract and submit it to State Finance for review and comment, and upon approval by State Finance, authorize the Executive Secretary to enact the contract. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

8. Division Rulemaking Action – Michael Grange

Michael Grange reported to the Board that the Division is required by Utah Code Title 63G to review each of its rules every 5 years; either within the 5 years after the rules original effective date or within the 5 years after filing the last Five Year Review. The Division last filed Five

Year Review notices for each of its rules in March of 2010, and must again submit a new Five Year Review and Statement of Continuation for each rule. He noted that if these notices are not filed, all of the Divisions rules will expire, be removed from the Utah Administrative Code, and become unenforceable. Division Staff recommends that the Board authorize the Division Director to sign each notice and for Division Staff to file the required Five Year Notice of Review and Statement of Continuation for each of the referenced DDW rules with the Department of Administrative Rules.

Ken Bousfield, Division Director of DDW, noted that the establishment of these rules is also federally required as part of the Division's primacy applications. He also reported that without the re-adoption of these Rules, the Division would lose all federal funding, including SRF funding.

- Paul Hansen moved to authorize the Division Director to sign each notice and for Division Staff to file the required Five Year Notice of Review and Statement of Continuation for each of the referenced DDW rules with the Department of Administrative Rules. David Stevens seconded. The motion was carried unanimously by the Board.

9. Rural Water Association Report – Dale Pierson

Dale Pierson, Executive Director of RWAU, thanked the Board members for holding their meeting at their 2015 Annual Conference and reported the following:

- Kim Dyches, Environmental Program Manager with DDW, being a great attribute to both the Division and RWAU in regards to Operator Certification Program that he oversees, was awarded the Friend of Rural Water Award.
- Charles Jeffs, who has been with RWAU for 31 years, will retire at the close of the conference, and that he, his experience, and his expertise will be missed immensely.
- The results of the Water Taste Test were:
 - 3rd Place – The Town of Francis.
 - 2nd Place – Upper Country Water
 - 1st Place – West Bountiful.
- 3 news channels and 1 newspaper had reporters covering the conference.
- Scott Anderson was elected the new RWAU president, replacing Paul Fulgum.
- 82 people took the Water Operator Certification test.
- Attendance at the conference is 1,872 people.

10. Directors Report

Ken Bousfield, Division Director of DDW, introduced and welcomed the Division's newest employee, Camron Harry, who is in the Engineering Section, under Ying-Ying Macauley. Camron is a Professional Engineer who comes to the Division with experience from the private sector and the Division of Air Quality.

A. The Division's participation at the RWAU Conference

Ken Bousfield reported the following regarding Division Staff's participation at the RWAU 2015 Annual Conference:

- 13 Division Staff members presented 24 different presentations.

- 82 Water Operators took the Water Operator Certification Exam.
- Division Staff assisted 120 water systems in preparing their Consumer Confidence Reports, which is roughly a little over ¼ of the water systems that are required to do so.
- Division Staff distributed over 140 reports to water systems; including inventory reports, monitoring schedules, IPS reports (report cards), and bacteriologic summaries.
- Division Staff provided 70 consultations to water systems and or engineers to discuss issues about physical facilities.
- Division Staff provided 16 consultations to water systems regarding their Source Protection Plans.
- 32 correction notifications, either on inventory information or on physical facility deficiencies, were received.
- Division Staff also provided several consultations regarding operator certification issues, cross connection issues, rule compliance issues, financial assistance, physical deficiency resolutions, and source protection.

B. Possible Board tour in connection with the Board’s May meeting

Ken Bousfield informed the Board that he, Michael Grange, and Jesse Johnson, had the opportunity to tour the Woods Cross Water Treatment Plant during their Open House; and that Michael will be working to set up a tour of that facility for Board Members in conjunction with the May Board meeting.

Michael Grange also informed the Board that in conjunction with the tour of the Woods Cross facility, their City Manager had extended an invitation to hold the May Board meeting at the Woods Cross City Hall. The Board agreed that they would be amenable to this.

C. Board Appointments

Ken Bousfield informed the Board that Tage Flint, David Stevens, Betty Naylor, and Brett Chynoweth’s appointments to the Drinking Water Board will expire on May 8, 2015. He noted that included in the Board packet were instructions on how to apply/re-apply and encouraged them to do so. Ken also stated that applications need to be made well in advance of the May 8, 2015 deadline and that by Statute Board members can continue in their duties 60 days beyond their term expiration date.

Paul Hansen noted that the Board Chairman and Vice Chairman elections will be postponed until the May Board meeting.

11. Next Board Meeting:

Date: Friday, May 8, 2015
 Time: 1:30 pm
 Place: Woods Cross City Hall
 1555 South 800 West
 Woods Cross, Utah 84087

12. Other

13. Adjourn

- Paul Hansen, Board Chairman, moved to adjourn the meeting. The motion was carried unanimously by the Board

The meeting adjourned at 3:15 pm.

❖ A Board Member Work Session was held at 3:25, following the Drinking Water Board Meeting. SRF Financial Assistance was discussed. No Board actions were conducted during this time.

Board Members present: Paul Hansen, Betty Naylor, Brett Chynoweth, David Stevens, and Roger Fridal.

Division Staff present: Ken Bousfield, Michael Grange, Heather Bobb, and Marianne Booth.

Others present: Kelly Crane with Ensign Engineering.

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Dana Powers, Office of Human Resources, at: (801) 499-2117, TDD (801) 536-4414, at least five working days prior to the scheduled meeting.