



State of Utah

GARY R. HERBERT
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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
Friday, January 9, 2015 - 1:00 pm
Multi Agency State Office Building - Room 1015
195 North 1950 West
Salt Lake City, Utah 84116

DRAFT MINUTES

- ❖ **A Board Member Work Session was held at 9:00 am, prior to the Drinking Water Board Meeting. Recommendations to Division Staff on Energy Efficiency Initiative Incentives were discussed. No Board actions were conducted during this time.**

Board Members present: Paul Hansen, Betty Naylor, Brad Johnson, David Sakrison, and Roger Fridal. Brett Chynoweth and Tage Flint arrived at approximately 10:40 am.

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

Rural Water Association of Utah Staff present: Terry Smith. Dale Pierson arrived at approximately 10:17 am.

1. Call to Order – Chairman Hansen

Paul Hansen, Board Chairman, called the meeting to order at 1:05 pm.

2. Roll Call – Ken Bousfield

Board members present: Paul Hansen, Betty Naylor, Brett Chynoweth, Tage Flint, David Stevens, Brad Johnson, David Sakrison, and Roger Fridal. Mark Stevens joined at approximately 1:20 pm.

Division staff present: Ken Bousfield, Michael Grange, Melissa Copfer, Julie Cobleigh, Gary Kobzeff, Jesse Johnson, Ying Ying Macauley, Bernie Clark, Tammy North, Bob Hart, and Marianne Booth.

3. Introductions – Chairman Hansen

Paul Hansen, Board Chairman, welcomed everyone to the meeting and requested that those in the audience introduce themselves.

Those in attendance were:

- Dale Pierson, Brian Pattee, Curtis Ludvigson, and Terry Smith representing the Rural Water Association of Utah.
- Mark Sovine and Doug Nielson, Sunrise Engineering, representing Grand Water and Sewer Service Agency.
- Jack Lytle, Daggett County Commissioner, and Brett Reynolds, Civco Engineering, representing Daggett County/Dutch John.
- Chip Shortreed, District Manager, and Ryan Jolley, Jones & DeMille Engineering, representing Ticaboo Utility Improvement District.
- Myron Bateman, Tooele County Commissioner, Jerry Houghton, Tooele County recorder, surveyor, and certified water operator, Shawn Milne, Tooele County Commissioner, and Darin Robinson, Jones & DeMille Engineering, representing West Erda Improvement District.

4. Approval of the Minutes:

A. November 7, 2014

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

B. December 1, 2014

- Betty Naylor moved to approve the minutes. David Stevens 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 the State fund has \$3 million and over the course of the next year the Division is expecting \$5.5 million to come into the fund for a total of \$8.5 million to be available for projects.

Michael also reported that currently the Federal fund has \$35 million and over the course of the next year the Division is expecting \$16 million to come into the fund for a total of \$51 million to be available for projects. He also noted that Forest Glen A has closed their loan, Herriman has set a closing date of March 11, 2015, and the Division is currently working with 7 other water systems to close their loans.

B. Project Priority List – Michael Grange

Michael Grange reported that there are no new projects to add to the list.

C. SRF Applications

i. STATE:

a) Grand Water and Sewer Service Agency – Jesse Johnson

Jesse Johnson, Environmental Engineer with DDW, informed the Board that Grand Water and Sewer Service Agency (GWSSA) is requesting \$48,000 for a master plan that will include an analysis of the existing system and a capital improvements plan for future system improvement projects. GWSSA has a local MAGI of \$30,300, or 77% of the state's MAGI. Their current water bill is \$49.55, which is 1.96% of the local MAGI. The Financial Assistance Committee (FAC) did not have a quorum and no formal recommendation was made, however the members that were present were amenable to the Board authorizing a planning grant of \$48,000 to GWSSA for the development of a master plan.

David Sakrison, Mayor of Moab, disclosed that Moab City does have a working relationship with GWSSA, but there is no benefit back to the city from the proposed funding.

Mark Sovine with GWSSA, thanked Jesse for his work and the Board for their consideration of the proposed project.

- Paul Hansen moved to authorize a planning grant of \$48,000 to the Grand Water and Sewer Service Agency for the development of a master plan as described. David Stevens seconded. The motion was carried unanimously by the Board.

b) Daggett County/Dutch John – Jesse Johnson

Jesse Johnson informed the Board that in November 2014, Daggett County /Dutch John (Daggett County) requested \$362,000 to repair two storage tanks, upgrade the disinfection system in the water treatment plant, replace filter media, and add meters within the Dutch John water system; due to the funding repayment being 30 years and the repairs to the tank only estimated to last 15 years, that request was tabled and the project was re-evaluated. Jesse then informed the Board that Daggett County is now requesting \$1.02 million in funding to replace the tanks and that Dutch John has entered into a compliance agreement with the Division. The FAC did not have a quorum and no formal recommendation was made, however the members that were present were amenable to the Board authorizing a \$510,000 loan at 0% interest for 30 years, with an additional \$510,000 in grant to Daggett County/Dutch John using state SRF funds.

Bret Reynolds, Civco Engineering, took a moment to thank the Board and Staff for looking at the project for funding. Bret also commented that with the repair to the water tank that they had earlier proposed, they were not really sure of how long it would last, and it would have been problematic to take the water tank out of service to make the repairs.

Paul Hansen commented that he appreciated them being willing to go back and evaluate how to most effectively spend money in the long term.

- Paul Hansen moved to authorize a loan of \$510,000 at 0% interest for 30 years with an additional \$510,000 in grant to Daggett County/Dutch John using the State SRF funds contingent upon bringing the system into compliance. Tage Flint seconded. The motion was carried unanimously by the Board.

c) Ticaboo Utility Improvement District – Gary Kobzeff

Gary Kobzeff, Environmental Engineer with DDW, reported to the Board that at the November 2014 meeting Ticaboo Utility Improvement District (Ticaboo) requested \$700,000 in assistance to replace the pump in well #1, the pump house, install new solar panel arrays to provide power to their #1 and #2 wells, and construct a fence around their existing storage reservoir, however because some of the numbers in their application didn't accurately reflect their water costs, the request was tabled. Gary then informed the Board that those numbers have now been updated and their MAGI is significantly higher and the application now reflects the actual cost to their water system.

Paul Hansen noted that there was no recommendation from the FAC, and questioned what the Staff recommendation was. Gary noted that he personally feels it is a good use of funds and noted that they qualify for either of the scenarios presented to the Board.

- David Stevens moved to authorize a loan of \$350,000 with 0% interest for 30 years with an additional \$350,000 in grant to Ticaboo Utility Improvement District. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

ii. FEDERAL:

a) West Erda Improvement District – Julie Cobleigh

Julie Cobleigh, Environmental Engineer with DDW, started by reminding the Board that at the November 2014 meeting West Erda Improvement District (West Erda) was authorized a loan of \$1,478,600 at 0% interest for 30 years with \$739,600 in principal forgiveness. She went on to state that West Erda is now requesting an additional \$144,000 in funding to upgrade the originally proposed 12 inch transmission line to a 16 inch transmission line that will deliver water from Erda Acres to West Erda and that they would also like to have their repayment schedule restructured so that their payments are smaller early in the loan and have balloon payments towards the end of the loan. She then stated that West Erda does not feel they can get the required public support without reducing the amount of the loan secured by user fees, so they have decided to secure a significant portion of the loan with other county revenues to be repaid with impact fees, therefore there is a need for a larger transmission line to allow more individuals to connect to it. Julie also noted that the areas of expansion have not been solidified as of yet and the possibility of connecting the prison; if it's relocated near the Miller Motor Sports Park; had been discussed and it was agreed that it would not be connected. The FAC recommends the Board amend the original authorization to a loan of \$1,622,600 at 0% interest for 30 years to West Erda with \$811,600 in principal forgiveness with a graduated repayment schedule as proposed contingent upon the district authority and ability to expand their boundary, implement the cost share proposed for the project, and provide evidence of public support for all lots impacted.

Myron Bateman, Tooele County Commissioner, commented that this has been a work in progress for almost 40 years and he appreciates the Boards support to get this done correctly.

In response to questions from the Board, Darin Robinson, Jones & DeMille Engineering, clarified the variances in water bills by stating that some of the people would only benefit from having fire hydrants while others would be hooked to the line for their drinking water supply. He also noted that Erda Acres is a private water company that serves various subdivisions in the area and they have indicated that they have excess source and storage capacity to help West Erda.

- Brett Chynoweth moved to authorize a loan of \$1,622,600 with 0% interest for 30 years with a graduated repayment schedule to West Erda with \$811,600 in principal forgiveness contingent upon the district authority and ability to expand their boundary, implement the cost share proposed for the project, and provide evidence of public support for all lots impacted. David Stevens seconded. The motion was carried unanimously by the Board.

iii. OTHER:

6. **Authorization to Initiate Rule Revision –R309-500 – Facility Design and Operation: Plan Review, Operation and Maintenance Requirements – Bernie Clark**

Bernie Clark, Environmental Program Coordinator with DDW, asked the Board to authorize the Division to initiate the rule making process to amend R309-500, which is the rule that governs plan review and operation and maintenance requirements for drinking water systems. He then explained that in general that there are six categories of changes being proposed with the intent to make the rule easier to understand and easier to implement.

There was discussion between the Board and Bernie regarding two of the more substantive changes which were the waiver program and the description of the condition of plans and specs when they are submitted to the Division. Bernie also noted that the amended rule is 40% shorter than the current rule and that the Division held three comment periods and made revisions in response to comments received.

- Betty Naylor moved to authorize Division Staff to initiate the rule making process and file the proposed rule amendments for publication in the Utah Bulletin. Mark Stevens seconded. The motion was carried unanimously by the Board.

7. **Intent to Request Authorization to Initiate Rule Revision – R309-510- Facility Design and Operation: Minimum Sizing Requirements – Ying Ying Macauley**

Ying Ying Macauley, Engineering Section Manager with DDW, started by noting that even though this is an informational only item, it was felt there was a need to give the Board some background information and prepared a slide presentation. In the slide presentation Ying Ying gave a summary of R309-510, a timeline on the legislative audit of R309-510, a summary of the audit recommendations to the Division, some biases in the audit report (in her opinion), and a summary of the Divisions' Action Plan.

There was a lengthy discussion between the Board and Ying Ying on each of the topics she covered. The Board was appreciative of the information presented to them and felt the Divisions Action Plans are appropriate.

8. Drinking Water Energy Efficiency Initiative

A. Documents and Presentations – Michael Grange

There were no documents or presentations to present.

B. Drinking Water Boards' Direction on Energy Efficiency Initiative Incentives

Michael Grange reported that in the Board's morning working session the Board discussed making a change in policy authorizing the Executive Secretary and the Assistant Executive Secretary to authorize up to \$45,000 in planning advances for those projects that included an energy efficiency audit, which is an increase from the \$40,000 they are currently authorized to approve. This change is not a rule change, but will require a formal action by the Board.

Michael also reported that the Board discussed offering a reduction in interest rate, up to 0.5%, to water systems that include energy efficiency measures in their construction projects funded through SRF financial assistance programs. The Board also determined that the interest rate reduction would be a part of the Board motion, but not applied until after the energy audit had been completed and Division Staff has been allowed to review the audit results against a to be determined set of criteria. This action will require a rule change and the Board will need to authorize Division Staff to begin that process.

- Paul Hansen moved to authorize Division Staff to initiate the rule making process to include up to 0.5% interest rate reduction for energy efficiency projects. David Sakrison seconded. The motion was carried unanimously by the Board.
- David Sakrison moved to authorize the Executive Secretary and the Assistant Executive Secretary to authorize up to \$45,000 in planning advances for those projects that included an energy efficiency audit. Betty Naylor seconded. The motion was carried unanimously by the Board.

9. Rural Water Association of Utah Development Specialist Contract Renewal – Ken Bousfield

Ken Bousfield, Director of DDW, started by explaining that the reason for the Development Specialist Contract is to have a Rural Water Association of Utah (RWAU) specialist, that can go out into the field and work with counties and encourage ordinances, so as small systems evolve into public water systems they have a proper foundation and are viable. He then explained that in 2013 the Board entered into a 5 year contract to continue this work, however, according to State Finance rules, the Board needs to re-authorize the contract annually.

Curtis Ludvigson, Development Specialist for RWAU, explained that currently his area of focus is in the Six County area, made up of Sanpete, Sevier, Millard, Juab, Piute, and Wayne counties. He went on to inform the Board that he has been working with John Chartier, P.E.,

District Engineer for Central Utah, to develop county ordinances and land use agreements; as well as meeting with county officials and planning commissions; in order to adopt and implement those ordinances.

- Tage Fling moved to authorize the continuance of the Rural Water Association of Utah Development Specialist contract. David Stevens seconded. The motion was carried unanimously by the Board.

10. Rural Water Association Report – Dale Pierson

Dale Pierson, Executive Director of RWUA, thanked the Board for authorizing the continuance of the Development Specialist contract, and noted that he believes significant progress is being made. Dale also informed the Board that earlier in the week RWUA committed to aiding the Division with collecting actual water use data from water systems to aid with the long term Action plan as a result of the Legislative audit. He then noted that RWUA is pleased that the February Board meeting will be held in conjunction with RWUA's Annual Conference in St. George, and extended an invitation to the Board to attend the conference as well, as there are workshops with topics that mirror the items brought before the Board today.

Terry Smith, Management Technician with RWUA, updated the Board on the work he has been doing with Stockton, Hatch, and Virgin, to do rate surveys and look at master plans. He reported to the Board that he has also been assisting Parowan, Moroni, Mt. Pleasant, Elsinore, and few other towns with water conservation plan updates and rate structures. He noted that he has plans to work with Nephi, Minersville, and Leamington as well.

Brian Pattee, Compliance Circuit Writer with RWUA, also updated the Board on the work he has been doing, by informing them that he has been working with the Compliance Action Planning meeting (CAP) systems to get them up to date on their sampling as well as training them on cross connection control. He also noted that as he works with the systems, he talks with them about energy efficiency in their system.

11. Chairman's Report

Paul Hansen, Board Chairman, noted that at the February Board meeting there will be the annual election of the new Chairman and Vice-Chairman of the Board and encouraged all Board members to attend.

12. Directors Report

A. Three Work Groups Organized

Ken Bousfield reported that the Division is putting together three work groups. The first is to consider the best approach in dealing with secondary water systems, where water systems sell water to another water system. Of particular concern are hospital water systems. This group will work with the local health departments to identify these systems and then assist the secondary facilities in ensuring that they have the proper treatment equipment. The second group will work with systems that sell water to subdivisions or homeowners associations. This group will work to identify the subdivisions and HOA's to

determine if there are health and safety concerns and what the best way to deal with them is. The third group will work solely with the local health departments on standardizing procedures for contamination events.

B. Water & Energy Nexus Summit

Ken reminded the Board of the Water and Energy Nexus Summit that is scheduled for Thursday, January 22, 2015, noting that if any of the Board members are interested in attending the Division will pay for their registration.

C. Rural Water Association of Utah Annual Conference

Ken noted that Dale Pierson had extended an invitation to Board members to attend the Annual Conference and noted that the Division will assist the Board members with their registration and lodging. Ken advised Board members to contact Marianne Booth regarding their travel and registration preferences.

13. Next Board Meeting:

Date: Thursday, February 26, 2015
Time: 2:00 pm
Place: The Dixie Convention Center
Garden Room
1835 Convention Center Drive
St. George, Utah 84790

14. Other

15. Adjourn

- Paul Hansen moved to adjourn the Board meeting. Roger Fridal seconded. The motion was carried unanimously by the Board.

Meeting adjourned at 3:00 pm.

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.