



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
November 7, 2014 - 1:00 pm
Multi Agency State Office Building - Room 1015
195 North 1950 West
Salt Lake City, Utah 84116

DRAFT MINUTES

1. **Call to Order – Chairman Hansen**

Paul Hansen, Board Chairman, called the meeting to order at 1:00 pm.

2. **Roll Call – Ken Bousfield**

Board members present: Paul Hansen, Betty Naylor, Brett Chynoweth, Tage Flint, Roger Fridal, Brad Johnson, David Sakrison, David Stevens, and Mark Stevens.

Division Staff present: Ken Bousfield, Michael Grange, Heather Bobb, Ying Ying Macauley, Julie Cobleigh, John Oakeson, Jesse Johnson, Gary Kobzeff, and Marianne Booth.

3. **Introductions – Chairman Hansen**

In the interest of time, this item was skipped.

4. **Approval of the Minutes:**

- A. **August 27, 2014**
- B. **October 14, 2014**

- David Sakrison moved to approve the minutes. Roger Fridal 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 as of September 30, 2014, there was \$661,000 available in the state loan fund and that the Division is expecting roughly another \$6 million to come into the fund by November of 2015; for a total of \$6.3 million to be available for projects. He went on to report

on that staff is working with Trenton Town, which was authorized in May, but has not yet closed on their funding loan.

Michael also reported that there is currently just over \$32 million in the federal loan fund and that the Division is expecting roughly another \$15 million, based on the preliminary report for the 2015 SRF Grant from Congress through the EPA; though that will not be firm until January of 2015. He then reported that Division staff is currently working with 8 systems that have been authorized for funding but have not yet closed on their loans, as well as several other projects that are still in the planning stages.

Michael also informed the board that Division staff closed on the Duchesne County Water Conservancy District's Victory Pipeline Project that was initially authorized by the Drinking Water Board (DWB, the Board) back in 2009, and they are now in construction on Phase 1 of the project. He also informed the Board that planning advances have also been authorized for Huntsville Town, Lyman Water System, and Selina City for master plans.

B. Project Priority List – Michael Grange

Michael Grange proposed that 3 new projects be added to the project priority list. The first being West Erda Improvement District, with 82.6 points, consisting of a connection to Erda Acres Water Company as well as distribution system upgrades. The second is Ticaboo Utility Improvement District, with 18.5 points, consisting of a replacement of a well pump and pump house. And the third is Dutch John, with 18.4 points, consisting of a tank repair, water meter installation, and treatment. 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. Mark Stevens seconded. The motion was carried unanimously by the Board.

C. SRF Applications

i. STATE:

a) Ticaboo Special Service District – Gary Kobzeff

Gary Kobzeff, Environmental Engineer with DDW, informed the Board that Ticaboo Utility Improvement District (Ticaboo) is requesting \$700,000 in assistance to replace the pump in well #1, the pump house, install new solar panel arrays to provide power for their #1 and #2 wells, and construct a fence around the existing storage reservoir. Ticaboo has a local MAGI of \$19,243 or 49% of the State MAGI. Their current water bill is \$39.32 which is 2.45% of the local MAGI. The proposed financial assistance would increase their water bill to \$39.49, or 2.15% of the local MAGI. The FAC recommends that the Board authorize a loan of \$560,000 at 0% interest for 30 years with \$140,000 in grant.

Chip Shortreed, the Chairman of the Ticaboo Utility Improvement District, spoke to the Board, informing them that Ticaboo is a small, remote community that is constantly being challenged with the ability to provide utilities to its residents; and since taking over as Chairman 4 years ago, he has been able to reduce the water system's IPS deficiency points from 156 to 1, which will also be removed with the completion of the current project up for authorization. He then stated that since the application submittal, the water system has been able to more accurately determine their pumping costs and now show those costs exceed the total annual revenue of the water system, thus keeping them from saving for repairs and replacements, hiring part time employees, or the ability to reduce the water rate. Chip then requested that the Board consider Ticaboo's request for a 50% grant.

There was discussion between the Board, Division staff, and the representatives for Ticaboo as to the presence of a certified water operator, whether hardship was considered in the project analysis, the actual number of full time residents, and whether or not this should be tabled to be re-evaluated and brought back before the Board at a later date.

- Paul Hansen moved to table this item until staff has been able to review new information, re-present it to the FAC, and then bring it back before the Board at a later date. Tage Flint seconded. The motion was carried unanimously by the Board.

ii. FEDERAL:

a) Central Iron County Water Conservancy District – Julie Cobleigh

Betty Naylor, Board Vice-Chair, asked that the representatives for Central Iron County Water Conservancy District (CICWCD) introduce themselves. They were Paul Monroe, General Manager for CICWCD, Kelly Crane, and Curtis Nielson.

Julie Cobleigh, Environmental Engineer with DDW, began by informing the Board that CICWCD is requesting \$100,000 to conduct an aquifer balance study which is expected to cost \$200,000. She then went onto state that CICWCD has been experiencing declining water levels in their main aquifer and a mounding of water in the northern end of the Cedar Basin; and this study would consist of drilling test wells and conducting test pumping in order to determine appropriate locations to develop additional sources. CICWCD's local MAGI is \$30,540 or 78% of the state MAGI. Their current water bill is approximately \$107 which is 4.2% of the local MAGI. The proposed funding would increase their water bill to \$114 which is 4.49% of the local MAGI. The FAC recommends that the Board authorize a \$100,000 planning loan at 0% interest for 5 years with 50% in principal forgiveness.

Paul Monroe showed the Board a large map of the area outlining where the current aquifer is located, where the mounding is being seen, and where the proposed test drilling would be located. He also informed the Board that they are one of the communities that are expected to double by the year 2050, so there is going to be an increase in demand and CICWCD is working to plan for that eventuality by doing this planning study, working with the State engineer on a pipeline project to bring in water from the west desert, aquifer re-charge out of Cole Creek, and doing ground water management plans. Paul then requested that the Board consider 100% in principal forgiveness as CICWCD will be using their own funds for the additional \$100,000 of the \$200,000 aquifer balance study.

There was discussion between the Board, Division staff and CICWCD representatives as to water rights, whether the test wells will later be utilized as production wells, the over-appropriation of the valley, the presence of ground subsidence, and the possibility of a pipeline coming in from the west desert in the next 15 years.

- Paul Hansen moved to authorize a \$100,000 planning loan at 0% interest for 5 years with \$50,000 in principal forgiveness. Roger Fridal seconded. The motion was carried unanimously by the Board.

b) Dagget County / Dutch John – Jesse Johnson

Betty Naylor asked that the representatives for Dagget County introduce themselves. They were Warren Blanchard, County Commissioner, and Brett Reynolds, County Engineer.

Jesse Johnson, Environmental Engineer with DDW, informed the Board that Dagget County is requesting \$362,000 to repair storage tanks, upgrade their disinfection system within their treatment plant, replace filter media, and add water meters within the Dutch John water system. Jesse then gave some background on the Dutch John water system, stating that up until approximately 10 years ago, the system was run by the Bureau of Reclamation, and since time Dagget County has been working on upgrades and improvements to the system. Dutch John's local MAGI is \$43,604 or 111% of the state MAGI. Their current water bill is approximately \$56.01, which is 1.54% of the local MAGI. The proposed funding would increase their water bill to \$75.58, or 2.09% of the local MAGI. The FAC looked at 3 funding options and recommends that the Board authorize a \$288,000 loan at 1.72% interest for 30 years with \$74,000 in principal forgiveness.

Warren Blanchard then took the opportunity to speak to the Board, stating that when the water system was turned over to Dagget County from the Bureau of Reclamation, they were given \$300,000 which has now run out, due to the system being automated, the main water line being repaired, and currently the deterioration of the 60 year old tanks. He then went onto state that Dagget County is projecting that the system will have inadequate storage in about 15 years but due to costs, instead of trying to upgrade the system they were planning on just doing the repairs for now, however in looking at the funding proposal, they will still be paying for the repairs 15 years after they will need to replace the tank.

Brett Reynolds, also spoke to the Board, stating that in looking at the numbers in the funding proposal, they do not understand where those numbers were pulled from and would like the opportunity to spend time with Jesse to review the application.

There was discussion between the Board, Division staff, and Dagget County representatives as to the length of the loan versus the life of the tank, whether it would be best to replace the tank as a long term solution, the actual number of residents that would be repaying this loan, and whether or not the Bureau of Reclamation still holds the title to the water system.

- Tage Flint moved to table this item until staff has been able to review new information, re-present it to the FAC, and then bring it back before the Board at a later date. Mark Stevens seconded. The motion was carried unanimously by the Board.

c) West Erda Improvement District – Julie Cobleigh

Betty Naylor asked that the representatives for West Erda Improvement District (West Erda) introduce themselves. They were Darin Robinson, Jones and Demille Engineering, Jerry Houghton, West Erda's certified water operator, and Shawn Milne, Tooele County Commissioner.

Julie Cobleigh informed the Board that West Erda is requesting \$1,470,600 in funding to make upgrades to their existing distribution system, add fire hydrants, install a transmission line connecting them to Erda Acres, and purchasing capacity in Erda Acres source and storage facilities. West Erda does not have its own storage and their only source is suspected to be under the influence of surface water, putting West Erda on a boil order. Julie then reported that the cost sharing for this project will involve the 17 connections that are currently connected, 36 other connections that are not connected but are in the boundary, as well as another 54 lots that are along the transmission line and will benefit from fire protection. West Erda's local MAGI is \$29,797 or 79% of the state MAGI. The current water bill for the 17 connections is approximately \$79 which is 3.81% of the local MAGI. The proposed funding would increase the 17 connections water bill to \$109 which is 4.29% of the local MAGI; the 36 other connections would now have a water bill of \$30, and the 54 along the transmission line would now have a water bill of \$18. The FAC recommends that the Board authorize a loan of \$1,478,600 at 0% interest for 30 years with \$739,600 in grant, contingent upon 1) the districts authority and ability to expand their boundary

and implement the cost share proposed, and 2) being able to provide evidence of public support for the cost sharing for all the lots that are impacted.

Darin Robinson then informed the Board that Tooele County has two new commissioners after the November 6th election, which means there are unknowns as far as moving forward and what their interest in this expansion project will be. He then explained that the current thought is that the 36 and 54 connections should only be around \$20, which would make the 17 current connection have a water bill of \$110 which they don't feel will go over well and will make it hard for them to comply with the 2nd contingency.

There was discussion between the Board, Division Staff, and West Erda representatives as to the ability to obtain public support, the scope of the plan being to regionalize, whether they would need to come back with a new application versus closing on the proposed funding loan, how billing would work for those not currently connected, and whether those not currently connected would convert over to be on the system as culinary users.

- Tage Flint moved to authorize a loan of \$1,478,600 at 0% interest for 30 years with a \$739,600 grant, contingent upon 1) the districts authority and ability to expand their boundary to implement the cost share proposed for the project to include all 53 within the district as well as 54 lots along the transmission line, and 2) that evidence of public support for the cost share for all lots impacted by the project be provided. David Stevens seconded. The motion was carried unanimously by the Board.

iii. OTHER:

6. **Drinking Water Energy Efficiency Initiative**

A. Documents and Presentations – Ken Bousfield

Ken Bousfield, Division Director of DDW, reported that the Division, in cooperation with the private sector, water systems, and consultants are putting together a handbook on Energy Efficiency which covers 3 basic issues; the approach to energy efficiency, ideas to improve energy efficiency, which were provided by Doug Evans, and funding options for energy efficient projects. Ken then stated that, once finalized, there will be a hard copy version as well as a web version available to the public. Ken then went on to state that the plan is to get this document into the hands of the elected officials, consultants, and water system personnel through the use of a brochure and presentations at conferences.

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

Paul Hansen, Board Chairman, stated that during the working session that was held the morning of November 7, 2014, the Board looked at the 3 sections of the Drinking Water Energy (Cost) Savings Handbook to determine the best way to offer incentives to water systems. Paul stated that the Board feels that there is an opportunity to help water systems perform energy audits and has asked staff to further investigate the costs of those to see if it would be feasible for the Board to assist in funding those. Paul then stated that the Board also feels that there is an opportunity when a water system comes before the Board for funding to be able to reward them with .5% interest reduction, or some other appropriate rate, if they implement a certain level of energy (cost) efficient savings into their project. Before the Board makes any final decisions they have asked Division staff to do a fiscal analysis to ensure the Board's ability to perpetuate funding in the future for water systems to maintain clean reliable water.

7. **Final Adoption of Rule Revision**

A. R309-400 – Water System Rating Criteria (Improvement Priority System) – To Be Determined

John Oakeson, Environmental Scientist with DDW, explained that Rule R309-400 is the Improvement Priority System rule and is used to assign deficiency and violation points that a water systems rating is based upon. He then stated that this rule is an effective tool for the Division to identify compliance problems within a water system. On July 18, 2014, the Board authorized the Division to proceed with the rule making process to update R309-400. R309-400 was then filed with the Division of Administrative Rules (DAR) and opened for a public comment period from September 1 to October 1, 2014. No additional comments were received. Division staff recommends that the Board adopt the rule revisions to R309-400 and authorize staff to make this rule change effective November 10, 2014.

- David Sakrison moved to adopt rule revisions to R309-400 and authorize staff to make the rule change effective November 10, 2014. Betty Naylor seconded. The motion was carried unanimously by the Board.

B. R309-545 – Drinking Water Storage Tanks – Ying Ying Macauley

C. R309-550 – Transmission and Distribution Pipelines – Ying Ying Macauley

As both R309-545 and R309-550 have similar timelines and milestones, the Board was amenable to consider both items together.

Ying Ying Macauley, Environmental Engineering Manager with DDW, explained that rule R309-545, Drinking Water Storage Tanks, and R309-550, Transmission and Distribution Pipelines were both brought before the Board and authorized for rule revisions in May of 2014. Both R309-545 and R309-550 were filed with DAR and opened for a public comment period from June 1 to July 1, 2014, during which time several comments were received for both. She then stated the Board then authorized a change to the proposed rules on July 18, 2014. Both rules were then re-filed with DAR and once again opened for a public comment period from August 15 to September 15, 2014, during which time no additional comments were received. Division staff recommends that the Board adopt the change in proposed rules R309-545 and R309-550 and authorize staff to make this rule change effective on November 10, 2014.

- Betty Naylor moved to adopt the change in proposed rules R309-545 and R309-550 and authorize staff to make this rule change effective on November 10, 2014. David Stevens seconded. The motion was carried unanimously by the Board.

8. Intent to Solicit Informal Comments

A. R309-500 – Plan Review, Operation, and Maintenance Requirements – Ying Ying Macauley

Ying Ying Macauley informed the Board that Division staff will begin to update R309-500, Plan Review, Operation, and Maintenance Requirements. Division staff are anticipating two major changes to the rule; 1) clarification to the requirements for plans and specs, and 2) make the language in the waiver provision easier to comprehend. She then stated that staff are going to complete an informal comment period and then plan to come back before the Board in January to request authorization to initiate the rulemaking process.

9. Rural Water Association Report – Dale Pierson

Dale Pierson, Executive Director of the Rural Water Association of Utah (RWAU) invited the Board members to attend the Water Energy Conservation Nexus Summit that will be held on January 22, 2015 at the Utah Local Government Trust Building, further details will be on invitations that will be sent out. Dale then asked some of the RWAU employees to update the Board on their work.

Terry Smith, Management Technician with RWAU, informed the Board that in the last quarter he has done ½ dozen or so rate studies at the request of water systems that are finding that their budget exceeds their revenue. He went on to state that he has also been working with several systems on conservation plan updates as well as doing training for water operators both in the classroom and on site.

Brian Pattee, Compliance Circuit Writer with RWAU, informed the Board that his main responsibility is to work with the CAP's systems and sampling issues. He then stated that he has been meeting with several systems and is finding that often the reason for the system having high points on their IPS report due to the lack of a certified water operator.

Curt Ludvigson, Development Specialist for RWAU, informed the Board that he has been working with John Chartier, Central Utah District Engineer, on a Non-Public Drinking Water Ordinance, which is almost ready to be finalized. He went on to state that both he and John, have been working with county planners, zoning administrators, and economic developers in the Six County area and are planning on meeting with those groups in Millard County as well. Curt then reminded the Board of RWAU's Annual Conference that will be held in St. George in February 2015, informed them that on February 24th there will be a tract of classes dedicated to county officials, and explained his plan to contact these groups to encourage attendance.

10. **Chairman's Report**

In the interest of time, this item was skipped.

11. **Directors Report**

A. Drinking Water Boards' 2015 Meeting Schedule

Ken Bousfield referred to the proposed Board meeting schedule and requested input from the Board. No changes or concerns were voiced by the Board. Ken mentioned that there may be some emergency teleconference meetings held during the year. He also mentioned that staff would try to arrange tours of water systems in connection with the summer Board meetings.

B. ASDWA Annual Conference October 20-23, 2014

Ken Bousfield reported on the following presentations delivered at the Association of State Drinking Water Administrators (ASDWA) annual conference, held October 20-23, 2014.

- The Water Infrastructure Finance and Innovation Act (WIFIA), is a Federal act, passed by congress but not funded by congress. The Act provides funding for water projects, to be implemented directly by EPA. It has a base funding level of \$10 million with 50% local funding. Hence it is designed for large water systems. Because there is currently no dedicated funding for it, states expressed concerns that EPA would use SRF funds, at the expense of the states to implement it.
- Mike Baker of Ohio gave a presentation on the cyanotoxins and the do not drink order that was put into place for Cleveland, Ohio.
- The presentation on the naegleria fowleri amoeba that was contaminating the water in New Orleans. The amoeba was conveyed through the water system and inhaled by water users. This pathway enabled the amoeba to cause brain infections. Some deaths have occurred.
- EPA's contract with the developers of the Safe Drinking Water Information System (SDWIS) database will expire in April 2015. EPA is obligated to change contractors in the middle of developing this software; however the new contractor may hire the current contractor as a subcontractor.
- Ken and Dale Pierson presented a paper on how the Division and RWAU work together.

- Eva Nieminski, Environmental Engineer with the Division, gave a presentation on biological filtration.
- Mike Moss, Environmental Scientist with the Division, gave a presentation on backflow protection.
- Dave Leland gave a report on the a boil water order in Portland, Oregon and the challenges associated with it.
- There was an announcement of EPA's initiative of a smart-phone app for emergency response. The app captures damage reports which will facilitate reimbursement from FEMA. Another effort was also announced about a program that links environmental information together to facilitate an integrated approach to problem resolutions.

Legislative Audit (This item was not on the agenda)

Ken Bousfield reported to the Board that earlier in the week there was a meeting between Division staff and the Legislative Auditors office, who are auditing the Board's source capacity rules. Ken reported that the Auditor's report is still in draft form while the discussions with the Division were on-going. Ken reported that the report gave three basic recommendations; 1) the Division should look at the indoor source capacity requirements as the audit report states that it seems to be too high, 2) the Division should look at the outdoor source capacity requirements as current requirements seem to be too low, and 3) the Division should clarify the rules that deal with how water systems and engineers can apply for reductions to the source capacity requirements.

12. Next Board Meeting:

Date: January 9, 2015
 Time: 1:00 pm
 Place: Multi Agency State Office Building
 Room 1015
 195 North 1950 West
 Salt Lake City, Utah 84116

13. Other

Paul Hansen noted that there were several rough presentations with new information just being brought forward and asked that Michael express the Boards' appreciation for the work the staff does.

Michael Grange informed the Board that the Division has received the application from the Town of Stockton and it will most likely be included in the next teleconference that was discussed earlier to re-present for Ticaboo.

14. Adjourn

- Paul Hansen recommended that the Drinking Water Board Meeting be adjourned. All Board members agreed.

Meeting Adjourned At: 3:08 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.