



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Department of
Environmental Quality

Alan Matheson
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
Alan Matheson
David L. Sakrison
David Stevens, Ph.D.
Mark Stevens, M.D.
Kenneth H. Bousfield, P.E.
Executive Secretary

DRINKING WATER BOARD MEETING
March 3, 2016 – 2:00 pm
The Dixie Convention Center, Garden Room
1835 Convention Center Drive
St. George, Utah 84790

DRAFT MINUTES

1. Call to Order – Chairman Hansen

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

Paul thanked Dale Pierson for accommodating the Board Meeting as part of the Rural Water Association of Utah's (RWAU) Annual Conference.

2. Roll Call – Ken Bousfield

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

Board Members excused: Mark Stevens

Division Staff present: Ken Bousfield, Michael Grange, Rich Peterson, Patti Fauver, Nathan Hall, Heather Bobb, Brandi Smith, Colt Smith, Rachael Cassidy, Emily Frary, and Marianne Booth

3. Approval of the Minutes:

A. January 8, 2016

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

4. 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 in the State SRF fund there is approximately \$2.6 million and over the course of the next year the Division is expecting another \$6 million to come into the fund, for a total of \$8.7 million to be available for the funding of projects. He then took a few moments to update the Drinking Water Board (DWB, the Board) on the status of the projects.

Michael then reported that currently in the Federal SRF fund there is \$20 million and over the course of the next year the Division is expecting another \$16 million to come into the fund, for a total of \$35.8 million to be available for the funding of projects. He did note, that if approved, the project for Juab County, would take a significant portion of that fund. He then gave updates on the current projects.

Michael, as requested by the Board in the previous meeting, presented information regarding the ability of the Board to provide subsidies to water systems out of the State and Federal SRF programs. He informed them that the EPA had sent the report with the amount of Federal appropriations but not the report on how much they are authorized to allocate for additional subsidization for water systems and noted that he is waiting for clarification as of yet. He then referred them to sections of the Federal register that pertain to the SRF program and, that by his calculations, the Board can authorize approximately \$1,734,800 in principal forgiveness out of the Federal SRF program for fiscal year 2016. Michael then referred them to sections of Utah Code Title 73 Chapter 10C, which established the Drinking Water Board, and noted that it gives them significant latitude in establishing loan criteria, repayment criteria, interest rates, grant amounts, and principal forgiveness, and does not have a set dollar limits on subsidizations.

Michael then took a moment to report the following annual audit results from the EPA:

- Fund Use Rate (Federal grant amount/allocations): 83%
- Pace of Construction (amount disbursed/amount allocated): 94%
- Return on Federal Investment: \$1.35

He then noted his appreciation to Division Staff and the work that they do in helping to assure the program is run efficiently and effectively.

i. Intended Use Plan

Michael Grange reported on the completed 2016 Intended Use Plan which outlines exactly how the Division plans to use the capitalization grant funding from EPA.

B. Project Priority List – Michael Grange

Michael Grange proposed that two new projects be added to the project priority list; North Fork Special Service District with 90.5 points and a project consisting of a new well and a new tank; and Juab County with 9.7 points and a project consisting of a wholesale water transmission pipeline. The Financial Assistance Committee (FAC) recommends the Board approve the updated project priority list.

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

C. SRF Applications

i. STATE:

a) Piute Co – Greenwich De-Authorization – Michael Grange

Michael Grange informed the Board that since authorizing \$130,000 in financial assistance to Piute County Special Service District (Piute) on behalf of Greenwich Water Association (Greenwich) in order to construct a new chlorination building, Piute no longer has the funds necessary to support that project and are requesting the Board de-authorize the loan. The FAC recommends that the Board de-authorize the \$130,000 to Piute County Special Service District on behalf of Greenwich Water Association at 3.26% interest or fee per annum for 30 years with \$26,000 in grant.

- Paul Hansen moved to de-authorize the \$130,000 to Piute County Special Service District on behalf of Greenwich Water Association at 3.26% interest or fee per annum for 30 years with \$26,000 in grant. Roger Fridal seconded. The motion was carried unanimously by the Board.

ii. FEDERAL:

a) Greenwich – Michael Grange

Representing Greenwich Water Association (Greenwich) was Gary DeLeeuw, President of Greenwich and Jeff Albrecht of Savage Surveying.

Michael Grange informed the Board that Greenwich is requesting \$130,000 in financial assistance to construct a new chlorination building and equip it with a tablet chlorination system and solar power service. He then reported that their existing equipment has reached the end of its useful life, that it is currently located in a manhole, inaccessible during the winter months, and currently has no power. The local MAGI for Greenwich is \$35,027 which is 87% of the State MAGI. Their current average water bill is \$25, or 0.86% of the local MAGI. In 2011 Greenwich took out a 30 year loan from the Board for \$201,000 with annual repayments of \$7,500. Greenwich currently does not collect enough revenue to cover this annual debt and it is actually being paid for by Piute County Special Service District. Based on this information the average water bill after project completion would be \$51.46, or 1.77% of local MAGI, which qualifies them to be considered for grant. The FAC recommends that the Board authorize \$130,000 in financial assistance to Greenwich at 0% interest for 30 years with \$65,000 in principal forgiveness.

There was discussion between the Board, Division Staff, and those representing Greenwich regarding the amount of financial assistance, the amount of the water bill, and the need for a public hearing.

- Paul Hansen moved to authorize \$130,000 in financial assistance at 0% interest for 30 years with \$65,000 in principal forgiveness to Greenwich Water Company. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

b) North Fork SSD – Rich Peterson

Representing North Fork Special Service District (North Fork) was Stephen Miche, Operations Manager, and Ryan Taylor of Epic Engineering.

Rich Peterson, Environmental Engineer with the Division, informed the Board that North Fork is requesting \$2,199,000 in financial assistance for a new well, pump vault, transmission line, and new tank. Rich also reported that North Fork will also contribute an additional \$198,000 and use energy efficient components. The local MAGI for North Fork is \$112,758 which is 278% of the State MAGI. The average water bill after project completion would be \$151, or 1.61% of local MAGI. Division Staff recommends the Board authorize a \$2,199,000 construction loan at 2.0% interest, as they are using energy efficient components, for 20 years to the North Fork Special Service District.

- Roger Fridal moved to authorize a \$2,199,000 construction loan at 2.0% interest for 20 years to North Fork Special Service District, and that North Fork also contributes \$198,000. David Sakrison seconded. The motion was carried unanimously by the Board.

c) Juab County – Nathan Hall

Representing Juab County (Juab) was Rick Carlton, Juab County Commission; Jason Burningham of Lewis, Young, Robertson & Burningham; and Eric Franson of Franson Civil Engineers.

Nathan Hall, Environmental Engineer with the Division, informed the Board that Juab is requesting \$21,210,000 in financial assistance to construct a 10.9 miles long wholesale water pipeline from Santaquin, Utah to Mona, Utah. The average local MAGI for the two areas is \$41,683 which is 103% of the State MAGI. As Juab is not a public water system they are planning on using a general obligation bond to repay the loan and therefore Nathan presented different options to the FAC. The FAC recommends that the Board authorize a \$21,210,000 construction loan based on one of those options to Juab County.

There was discussion between the Board, Division Staff, and those representing Juab regarding the amount of the financial assistance, the different term options, the size of the project, the need for a general obligation bond, and water rights. Rick Carlton also explained that Juab is proposing this project in order to be prepared for projected population growth and Juab plans to set up a water conservancy or special service district prior to loan closing which would ultimately be named the borrower.

- Tage Flint moved to authorize a \$21,210,000 construction loan at 2.5% fee per annum for 30 years with the right of conveyance to Juab County. Roger Fridal seconded. The motion was carried unanimously by the Board.

d) Manila – Michael Grange

Representing Manila was Jeff McCarty of Sunrise Engineering.

Michael Grange informed the Board that on March 22, 2013 the Board authorized a loan of \$464,000 at 1.5% interest for 20 years to Manila to replace approximately 8,700 feet of old 8 inch transmission line. Manila has now completed that project, has approximately \$58,000 of the loan remaining, and is requesting that the Board authorize them to use it to upgrade their existing SCADA system and rehabilitate as many of their storage tanks as possible. The FAC recommends that the Board authorize a change of scope for Manila's remaining funds.

- Brett Chynoweth moved to authorize a change of scope for Manila to use the remaining funds. David Sakrison seconded. The motion was carried unanimously by the Board.

5. Final Rule Adoption for the Revised Total Coliform Rule (federal effective date April 1, 2016):

- A. R309-105, *Administration: General Responsibilities of Public Water Systems.***
- B. R309-110, *Definitions***
- C. R309-200, *Drinking Water Standards***
- D. R309-210, *Distribution System Monitoring Requirements,***
- E. R309-211, *Monitoring and Water Quality: Distribution System Total Coliform Requirements,***
- F. R309-215, *Treatment Plant Monitoring Requirements***
- G. R309-220, *Public Notification Requirements, and***
- H. R309-225, *Consumer Confidence Reports.***

- Patti Fauver

Patti Fauver, Environmental Program Manager with the Division, informed the Board that the State rules that are being proposed for change have been filed, a public hearing, and written comment period held. She then noted that it is just one EPA rule, the total coliform rule, which is changing and showed the Board and audience a presentation outlining how that affects each of the listed State rules and also focused on the change that could be perceived as more stringent than the Federal rule. She presented the Board packet as the written findings supporting the health based need for monthly monitoring for year round non-community systems.

Colt Smith, Environmental Scientist with the Division, also presented information to the Board and audience regarding waterborne illnesses as well as case studies supporting the need for the more stringent rule to protect public health.

Division Staff is recommending that the Board authorize, pending funding, to proceed with filing the notices, to become effective in Utah on May 1, 2016, for the substantive changes to R309-105, R309-110, R309-210, R309-211, R309-215, R309-220, and R309-225 with the Division of Administrative Rules.

Paul Hansen, Board Chairman, asked for clarification from Ken Bousfield, Division Director, on the minutes from the public hearing, specifically page 2, lines 12 through 16, where he is quoted as saying:

In order for the State to maintain privacy and privacy means, the responsibility to implement the Federal Safe Drinking Water Act, in order for the State to continue to do this, we must adopt a corresponding State rule.

Ken clarified that he meant “primacy” not “privacy”. Paul also noted that neither the Board nor the Division are private entities nor do they do things in private.

As there was some new public health information presented at the meeting, Paul Hansen opened a limited extension of the public comment period to address only items specific to that information. There were no comments made. The public comment period was closed.

Ken Bousfield referred the Board to Utah Code Title 19, Chapter 4, §105, where it states that in order for a State rule to be more stringent than a Federal rule it must be in order to protect public health.

There was discussion between the Board and Division Staff regarding the effective date of the Federal and the State rules, that sampling is based on a calendar month, that seasonal systems would be required to sample every month they specify that they are open, and the cost of sampling.

- Betty Naylor moved that the Board, finding that there is significant health reasons for the proposed rule to be more stringent than the corresponding Federal rule, authorize Division Staff, pending Division funding, to proceed with filing the notices, to become effective in Utah on May 1, 2016, for the substantive changes to R309-105, R309-110, R309-210, R309-211, R309-215, R309-220, and R309-225 with the Division of Administrative Rules. David Sakrison seconded. The motion was carried unanimously by the Board.

6. Rural Water Association Report – Dale Pierson

Dale Pierson, Executive Director of the Rural Water Association of Utah, reported the following regarding their Annual Conference. There were:

- 1,931 attendees.
- 178 vendors
- 226 booths
- 97 individuals taking the operator certification class
- 37 individuals taking the wastewater certification class

Dale went on to report that the City of Monroe won for best tasting water in Utah and their representatives will be going with RWAU to Washington, D.C. in February 2017 to meet with the Congressional Delegation, that Michael Grange had been awarded the “Friend of Rural Water” at the banquet that was held on March 2, 2016, and noted that included in the Board packet were thank you letters to RWAU that also referenced State funded programs.

Dale then reported that with the Board grant for energy efficient equipment, RWAU has so far used ½ of it to purchase a digital water leak detector and a video camera to view water lines, and RWAU plans to purchase an infra-red camera and another leak detector, along with some other items, with the remaining funds this year.

7. Directors Report

B. DDW staff involvement at the RWAU Conference

Ken Bousfield followed up Dale Pierson's report of the RWAU Annual Conference by adding the following regarding the Division Staff involvement:

- 22 presentations
- 97 operator certification test given
- 75 consumer confidence reports produced
- 149 reports dealing with monitoring requirements, inventory, operator certification records and IPS reports
- 6 discussions on preparing or updating source protections plans
- 18 consultations on varying issues brought up by water utility personnel
- 10 formal pre-arranged discussions with water utility personnel, and
- An unnumbered amount of informal discussions as staff and water system personnel crossed paths at the conference.

A. Report on the Legislative Session

Ken then reported on the Legislative Session with regards to the following 4 specific bills and the Division's request to appropriate funds for its Water Use Study:

- House Bill 309, which proposed to remove the sales tax monies that the Board relies on for the State SRF program. As of noon today it has not been presented to the assigned Appropriations Committee.
- Senate Bill 28, which would require water systems to increase water bills for customers with increased water usage to encourage water conservation. This bill has passed both the House and Senate. It will not have a major impact on the Drinking Water Board or Division, as it is applicable to water systems who serve in excess of 500 connections, and systems of this size typically already have metering equipment in place.
- House Bill 305, which would require the Board to revise its standards to include an annual report for water systems. The Board would need to clarify its rule to include the Annual Water Use Report. This bill has passed the house and is currently before the Senate.
- Senate Bill 80, which would remove sales tax money from the Department of Transportation funds to a fund managed by the Division of Water Resources. This bill has passed the Senate and is under review by the House Appropriations Committee.
- The Division, with the support of the Governor's office, has sought funding to pursue its obligation to fulfill a Legislative Audit recommendation about updating the Board's Rules related to source water capacity. The funding would be used to purchase and install electronic recording and reporting meters on a sample of water system sources as well as a sample of individual homeowner's water lines to determine peak day use

and distinguish between indoor and outdoor water usage. The needed funding was not approved by the Appropriations Committee.

8. Other

Paul Hansen informed the Board that it was time to appoint a new Board Chairman and Vice-Chairman. He then opened it up for nominations.

- Betty Naylor moved to reappoint Paul Hansen as Board Chairman. There were no other nominations. David Stevens seconded. The motion was carried unanimously by the Board.
- Roger Fridal moved to reappoint Betty Naylor as Board Vice-Chairman. There were no other nominations. David Sakrison seconded. The motion was carried unanimously by the Board.

Paul thanked the Board and voiced his pleasure to be able to serve with them. Betty Naylor also thanked the Board.

9. Next Board Meeting:

Date: Friday, May 13, 2016
Time: 1:00 pm
Place: Multi Agency State Office Building
Room 1015
195 North 1950 West
Salt Lake City, Utah 84116

10. Adjourn

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

The meeting adjourned at 4:03 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) 903-3978, at least five working days prior to the scheduled meeting.