



State of Utah

GARY R. HERBERT
Governor

GREG BELL
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
Heather Jackson
Brad Johnson
Natasha Madsen
David Stevens, Ph.D.
Mark Stevens, M.D.
Kenneth H. Bousfield, P.E.
Executive Secretary

MINUTES OF THE DRINKING WATER BOARD MEETING HELD JUNE 6, 2013 AT 1:00 P.M. IN
SALT LAKE CITY, UTAH

Board Members Present

Paul Hansen
Betty Naylor
Brett Chynoweth
Tage Flint
Heather Jackson
Brad Johnson
Natasha Madsen
David Stevens
Mark Stevens

Staff

Kenneth Bousfield
Misty Tabor
Linda Matulich
Kate Johnson
Michael Grange
Heather Bobb
Ying-Ying Macauley

Guests

Clyde Watkins, RWAU
Chuck Jeffs, RWAU
Curtis Ludvigson, RWAU
Dale Pierson, RWAU
Vern Steel, RWAU
Kelly Crane, Ensign Engineering
Curtis Nielson, Ensign Engineering
Russ Donoghue, Self
Scott Anderson, Woods Cross City

Staff Continued

Jesse Johnson
Nathan Hall
Bob Hart
Kim Dyches
Julie Cobleigh
Gary Kobzeff
Tammy North

ITEM NO. 1 - CALL TO ORDER

The Drinking Water Board convened at 1:00 p.m. in Salt Lake City, Utah with Chairman Paul Hansen presiding.

Chairman Paul Hansen called the meeting to order and welcomed new and returning Board Members.

ITEM NO. 2 - ROLL CALL

Chairman Paul Hansen asked Ken Bousfield to call roll of the Drinking Water Board members. The roll call showed that there were 9 members present.

As the result of a new Board being in office it is required to conduct a new Oath of Office; Jenny Nicholas Read the following:

I (Paul Hansen, Betty Naylor, David Stevens, Mark Stevens, Natasha Madsen, Heather Jackson, Brett Chynoweth, Tage Flint and Brad Johnson, each Board Member stated their names) having been appointed to the office of Drinking Water Board Member do solemnly swear that I will support, obey, and defend the Constitution of the United States, and the Constitution of this State, and that I will discharge the duties of my office with fidelity.

Jenny Nicholas then went to each Board Member and notarized each members Oath of Office form as they signed the agreements.

ITEM NO. 3 - INTRODUCTIONS

Started with introductions of the new Board Members:

Mark Stevens, M.D. is a Physician and Trauma Surgeon in Salt Lake City, Utah. Dr. Stevens stated he has always had a strong interest in the water issues related to our State, and he looks forward to serving on the Board.

Brad Johnson, is the Department of Environmental Quality's Deputy Director on the Board, to represent Amanda Smith DEQ's Executive Director.

Brett Chynoweth, is with Tropic Town, and a Board Member on the Rural Water Association of Utah's Board.

Natasha Madsen, is the Mayor of Manti City, and representing Municipalities.

Betty Naylor represents Public Environment NGL, and Community Interest.

Tage Flint, is the General Manager of Weber Basin Water Conservancy District in Northern, Utah, and represents the Water Districts of the State.

Paul Hansen represents the Licensed Professional Engineers in the State of Utah

Heather Jackson, is the Mayor of Eagle Mountain, and represents Municipalities.

David Stevens, Ph.D. is a Professor at Utah State University, Environmental Engineering, and Water Research, representing Water Research for the State of Utah.

Paul Hansen expressed, on behalf of the Board his appreciation to Russell Donoghue; Russ served the State for a number of years and the DWB. Russ was presented with an award of appreciation. Paul Hansen thanked Russ for his dedicated service.

ITEM NO. 4 - APPROVAL OF MINUTES

a. February 28, 2013

b. March 22, 2013

BOARD COMMENTS/QUESTIONS:

There are questions on the minutes in terms of completeness regarding motions that were made, and some duplication. Paul Hansen recommended approval of the minutes be deferred to allow staff to make any necessary corrections. As part of the review, Paul Hansen asked the Board to get with the DDW staff with any specific questions regarding the meeting minutes.

MOTION:

Motion made by Paul Hansen to extend the review time until the July Board meeting, seconded by Betty Naylor

**CARRIED
(Unanimous)**

ITEM NO. 5 - FINANCIAL ASSISTANCE COMMITTEE REPORT

1. Status Report

Michael Grange stated there is one item he forgot to review at the March meeting he wants to rectify now; he stated he forgot to mention the projects and loans staff closed out. Michael continued by mentioning what staff has accomplished since the January Board Meeting. Staff has closed six loans since January, 2013 1) Parowan 2) Skyline Mountain Special Service District 3) Ogden City 4) Delta City / Sherwood Shores 5) Big Plains Special Service District / Apple Valley and 6) Toquerville. The aggregate amount of those six projects equals about \$16 million. These projects are now in construction or in the case of Apple Valley they are purchasing the Water Systems and moving forward. Staff has also authorized two planning advances 1) Trenton Town and 2) Bear River Water Conservancy District for system improvements in the UKON area. The following construction projects have been completed 1) Daggett County Dutch John Project 2) White Hills Water Co. 3) Cedar Highlands 4) Spanish Fork City 5) Daniel Municipal 6) Bluffdale City 7) Central Utah Water Conservancy District 8) Ashley Valley Water Treatment Plant and 9) Circleville, these project files are now archived. Michael pointed out staff has been busy getting things done.

Michael Grange followed by reviewing the 1st page of the status report, which summarizes the amount of money in the State Fund Program. The State fund is currently \$1 million in the red as far as authorized money is concerned. However over the course of the next twelve months Staff expects about \$5.6 million in revenue to the fund through tax receipts as well as the loan repayment stream. Between now and May 1, 2014 we expect to have \$4.5 million in the State Fund with which the Board can fund Drinking Water Projects that meet the criteria for the State Loan Program.

The next page reflects some of the things that are pending that the Board has authorized, 1) Summit County 2) Axtell Community 3) Snowville, and 4) Kane County those are all State authorized projects that the money has not been closed on. The next page reflects planning loans or grants currently in progress, as well as closed loans for 1) Payson 2) Ogden 3) Delta and 4) Toquerville where the money is now being spent on construction. That reflection is a breakdown of where the money is going in the State Program

Michael Grange continued with reviewing the Federal Loan Program. The Federal SRF program currently has \$13.5 million which is considerably more than has lately been available. As explained in the January Board Meeting a number of water systems have repaid their loans in full explaining part of the \$13 million balance in that fund. Over the course of the next 12 months staff is expecting another \$15 million in revenue to the fund. That includes the capitalization grant from Congress through EPA as well as repayment streams. So between now and May 1, 2014 the report reflects almost \$29 million with which to fund projects. The next two pages are basically the same breakdown as what we went through with the State Program. There are several projects in the process of closing loans, obligating that money and getting them into construction. Michael Grange stated there is one thing to mention in respect to the \$29 million; staff is looking at ways to market and get the word out that the funds are available. Staff is looking at sending out letters to water systems and Communities throughout the State stating that SRF funds are available and asking them if they have projects they'd like the Board to consider. Staff is working at reducing that \$28 million dollars.

Paul Hansen asked Michael Grange to clarify if the \$7.6 million in Federal capitalization grant money is a firm number or a projected number? Michael stated it is a firm number, and he reminded the Board that staff was working under a continuing resolution from October to December which gave half the Federal Grant money, and then Congress passed the other half of the money to be released. Staff is still not certain where the balance will be in 2014 that is yet to be determined. Michael Grange also stated that every 4 years EPA commissions what is called the "Drinking Water Infrastructure Needs Survey and Assessment". Utah participated fully in that assessment in 2011. The report from EPA pertaining to that assessment was recently released. Historically, Utah has been classified as a 1% State, which means any money EPA is given from Congress, Utah is given 1% of that to fund the State's Federal SRF program. The results of the last survey show Utah is still around 1% of the total national need that is estimated by this survey. EPA will be out in the next 2-3 weeks with the allocation based on this survey that will show how much of the total SRF allocation Utah will receive for the next 4 years. By the July DWBM we should know what percent we will be at. We are hoping to move up a bit to receive a little more of that allocation, however based on the current survey we are around 1%.

Note: Dr. Mark Stevens was excused and left the meeting at 1:15 p.m.

2. Project Priority List

- a) Manila Town is being added to the project priority list with 100 points. Their application was scored as an emergency based on the fact that their waterline has experienced numerous breaks and is costing the system a significant amount of money.
- b) Bear River Water Conservancy District is being added to the project priority list with 12.5 points. Their project consists of a IMG tank, pump station, transmission line and meter station.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATIONS:

The Drinking Water Board approved the updated project priority list.

BOARD COMMENTS/QUESTIONS:

MOTION:

Motion made by Betty Naylor to approve the updated project priority list, seconded by Heather Jackson.

**CARRIED
(Unanimous)**

3. SRF Applications

STATE:

a. Henrieville - (Nathan Hall)

APPLICANTS REQUEST

New information was brought to staffs attention the last couple of days, regarding the capacity calculation which changes the scope of this project and what staff believes Henrieville should be looking at doing. Nathan Hall gave a brief summary of discrepancies; the number of connections is different than what was used, which affects the water rate, the percentage of the system that is on pressurized irrigation is different than what was used on original application, and also fire flow is in question which affects the amount of storage needed. The applicant's engineer was present to answer any questions.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATIONS

Staff recommends the Drinking Water Board table this project until issues can be worked out.

BOARD COMMENTS/QUESTIONS:

Paul Hansen stated that it was his opinion that the Board watch for this application to be presented at a later time, and recommended the loan application goes back through the Financial Assistance Committee since it is being changed so substantially.

MOTION:

Motion made by Heather Jackson to table the Henrieville application due to complications, seconded by David Stevens.

**CARRIED
(Unanimous)**

b. Summit County Service Area #3 – De-authorization (Julie Cobleigh)

APPLICANTS REQUEST:

On July 13, 2013, Summit County Service Area #3 was authorized a \$70,000 construction loan at 1.91% interest for 20 years to install a booster pump station to provide adequate pressure to three homes. The bids came in over the anticipated budget and the total project cost was increased to

\$158,500. The Service Area felt that this was too big of a financial burden and requested an exception to the Divisions Minimum Water Pressure Rule. The exception was granted on January 23, 2013.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board de-authorize the \$70,000 construction loan to Summit County Service Area #3 at 1.91% interest for 20 years.

BOARD COMMENTS:

Paul Hansen commented staff on using wisdom and knowledge when considering exceptions to the rule, and commented that this was an excellent example of how the Rules and exceptions should work.

MOTION:

Motion made by Tage Flint to de-authorize the \$70,000 construction loan to Summit County, seconded by Natasha Madsen.

**CARRIED
(Unanimous)**

FEDERAL:

3. a. Fremont Waterworks Company – De-authorization (Jesse Johnson)

APPLICANTS REQUEST:

At the July 2011 Drinking Water Board Meeting, the Board authorized \$425,000 in financial assistance to the Fremont Waterworks Company for water system improvements. Since that time, the Applicant has sent a letter to the Division of Drinking Water informing staff that they are pursuing funds elsewhere and that any funds reserved for Fremont can be released and used elsewhere.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board de-authorize the \$425,000.00 financial assistance to the Fremont Waterworks Company.

BOARD COMMENTS:

MOTION:

Motion made by Brett Chynoweth to de-authorize the \$425,000 to Fremont Waterworks Company, seconded by Betty Naylor.

**CARRIED
(Unanimous)**

b. Rockland Ranch – De-authorization (Gary Kobzeff)

APPLICANTS REQUEST:

On November 9, 2012, Rockland Ranch was authorized a loan of \$214,500 for 30 years at 0.0% interest with \$64,500 in principal forgiveness to construct a new 6-inch diameter well. Currently, the applicant does not have an approved source of water. Rockland Ranch has opted not to receive funding from the Division in order to avoid the Federal SRF conditions. Rockland Ranch has chosen to seek funding elsewhere.

FINANCIAL ASSISTANCE RECOMMENDATIONS:

The Drinking Water Board de-authorize the \$214,500 construction loan to Rockland Ranch.

BOARD COMMENTS:

MOTION:

Motion made by Betty Naylor to de-authorize the \$214,500 to Rockland Ranch, seconded by Heather Jackson.

**CARRIED
(Unanimous)**

Heather Jackson asked if the money from these de- authorizations had been put back into the calculated status reports which were reviewed earlier. Michael Grange indicated they had not because the Board had not yet acted when the tables were printed, but the numbers will be added and the status report will be adjusted due to the de- authorizations.

ITEM NO. 6 - REVISIONS TO THE BOARD'S RULES

Ken Bousfield stated that, in accordance with Senate Bill 21 DEQ's Attorney General Representative advised staff that changes need to be made to the Board's rules. Specifically, where the Rules refer to the "Executive Secretary" they must be changed to "Division Directors".

The Assistant Attorney General recommended cleaning up the language in order to be more consistent in how rules are written. She recommended and staff agreed that most occurrences of the word "should" should be to "shall", and the word "recommended" should be changed to "required".

Ken Bousfield went on to explain that staff is recommending further changes to clean up the Rules and suggested that the Board consider these changes and recommended that the Board proceed Rule Section by Rule Section.

a. Cross Connection Control

GENERAL EXPLANATION:

Ken Bousfield requested that the Board authorize staff to proceed with the rule making process.

BOARD COMMENTS/QUESTIONS:

Paul Hansen explained that the Board was not adopting the changes; they were just starting the rule making process. Staff will be coming back to the Board for further review and adoption after the public comment period.

MOTION:

Motion made by David Stevens to authorize staff to start the rule making process for Cross Connection Control, seconded by Heather Jackson

**CARRIED
(Unanimous)**

b. Operator Certification

GENERAL EXPLANATION:

Ken explained the principal change involved the elimination of the grandfather clause for certified operators, in the rules as that option expired long ago.

MOTION:

Motion made by Brett Chynoweth to authorize staff to start the rule making process for Operator Certification, seconded by Natasha Madsen.

**CARRIED
(Unanimous)**

c. Certification Rule for Backflow Technicians

GENERAL EXPLANATION:

Ken explained that the changes involve cleaning up language, and changing how representatives are chosen for the Backflow Technician Commission.

MOTION:

Motion made by Tage Flint to authorize staff to start the rule making process for Certification Rule for Backflow Technicians, seconded by Betty Naylor.

**CARRIED
(Unanimous)**

d. Water System Rating Criteria

GENERAL EXPLANATION:

Ken explained that this rule assesses points for non-compliance with the Rules. The change involves language that additional consequences may be imposed for falsification of data.

MOTION:

Motion made by David Stevens to authorize staff to start the rule making process for Water System Rating Criteria, Seconded by Brett Chynoweth.

**CARRIED
(Unanimous)**

e. Engineering Rule Changes

GENERAL EXPLANATION:

Ken explained that the changes involved clarifications to the design and construction standards.

MOTION:

Motion made by Heather Jackson to authorize staff to start the rule making process for Engineering Rule Changes, seconded by Natasha Madsen.

**CARRIED
(Unanimous)**

Paul Hansen asked Ken Bousfield to summarize the rule making process. Ken explained that the Board must authorize staff to initiate the Rule Making process, which the Board just did. Then staff will file the proposed changes with the State's Division of Administrative Rules. Such filing is done for each specific rule. In this instance where the change only involves changing from "Executive Secretary" to "Division Director" it qualifies for a non-substantive change and we can go through an expedited rule making process. For substantive changes staff will have to go through a more formal process. That process involves publishing the proposed rule change in the archivist journal which serves as an invitation for a public review period of 30 days. Then the rule comes back to the Board for final adoption. If there are any comments from the public review process that result in changes to the proposed rule, they must be brought back to the Board and re-authorized to be published in the archivist journal and go through a second comment period.

ITEM NO. 7 - UPCOMING ENGINEERING RULE REVISIONS (R309-500 THROUGH 550)

Bob Hart explained the R309-500 series of rules is the design and construction standards for public drinking water infrastructure. In 2011 and 2012 staff had a work group put together representing broad sections of the drinking water industry, including public water systems, consultants, Rural Water Association of Utah, DEQ District Engineers, etc. This work group

reviewed each section of the rule and identified where there should be an upgrade, revision, correction, or addition. This work group met for a period of about 6 months and there were fairly extensive in-depth discussions. As a result of the recommendations from this work group, staff plans to move forward with rule revisions in the coming years.

Ying -Ying Macauley added there are 12 chapters in the R309-500 through R309-550 rules; staff's recommended approach is revising one chapter at a time. Draft proposals have been completed for R309-511 and R309-515, and they will be used as an example and will set the steps from now on for revising engineering standards. Ying-Ying Macauley explained the steps of the engineering rule revision process. Staff will draft rule revisions, then the staff will send the draft out using email, DDW website or whatever means available to consultants, and to water systems seeking informal comments. Based on informal comments received, staff will prepare and present the rule revision to the Board for authorization to initiate the rule making process. If the Board gives authorization Bob Hart will file with the Division of Administrative Rules (DAR) to propose the rule change. This DAR filing is followed by publication of the proposed rule in the Utah Bulletin, and a 30 day public comment period. The staff will compile a summary showing comments received and division response to each comment. This summary will be provided to the Board for review. If there are no significant comments or changes, staff will recommend the Board adopt the rule and make it effective. If at times there are significant comments and a need of making changes to the original proposed rule, staff will recommend the Board authorize filing with DAR for "Change to Proposed Rule", which will re-start another 30-day public comment period.

The intent is to bring R309-511 and R309-515 substantive changes to the Board and initiate the rule revision process. Paul Hansen suggested that any of the Board members who want to see that early draft sent out for informal review and comments that they notify Ying-Ying. This allows the Board members to be involved earlier on what staff is doing ensuring them to be better prepared.

BOARD COMMENTS:

Tage Flint asked Ying-Ying if she received a lot of comments back from the working group, and are many changes coming from their conclusions. Ying-Ying reported staff has gathered many comments throughout the years from water systems along with what the working group gathered. The major push in causing this overhaul is all the comments they have been receiving over time from the work group, operators, and consultant's feedback. Tage Flint asked if EPA is driving any of this push for the rule revisions. Bob Hart specified EPA does not specify or guide the structure standards.

Heather Jackson questioned how long is anticipated to get through all chapters, she explained her concern was that it may take long enough to have to revisit as soon as all chapters are completed. Ying-Ying Macauley stated some chapters may be so big they may not be able to conquer them for maybe 6 months. Ying-Ying Macauley stated one or two sections will come to the Board at a time. Paul Hansen stated this is not an action item; this is more for just information at the way staff is looking at moving forward. He recommends since it is a very important rule it is important to not rush it or invoke new rules, do it aggressive but take time as to not have to do it again.

ITEM NO. 8 - NEW DRINKING WATER BOARD REPRESENTATIVE FOR THE OPERATOR CERTIFICATION COMMISSION

Since Terry Beebe left the Drinking Water Board, Kim Dyches is requesting a representative to serve on the Operator Certification Commission. Kim Dyches briefly explained the duties which include; one or two meetings a year preferably in person, on occasion the Commission Members

have to give oral exams this may happen once every year or two depending on who's in town and who's available. Kim pointed out that staff recommended a change in the rules as noted previously that would allow Ken Bousfield to appoint exam proctors to administer oral exams if needed.

Brett Chynoweth expressed willingness to serve on the Operator Certification Commission.

Motion made by Paul Hansen to appoint Brett Chynoweth to serve as a representative on the Operator Certification Commission, second by Heather Jackson.

**CARRIED
(Unanimous)**

ITEM NO. 9 - RURAL WATER ASSOCIATION OF UTAH

Dale Pierson announced the ultimate goal for the Drinking Water Board, DDW Staff, and RWAU is getting systems into compliance and getting quality drinking water into Communities. He stated there are 3 funded programs specifically funded by the DDW, there are several other programs funded by EPA, Farm Service Association and others they also carry the same philosophy and do the same work. Dale Pierson deferred to three RWAU staff to explain their programs.

Dale Pierson introduced Clyde Watkins: Clyde Watkins explained that he works with County Commissions to encourage them to establish programs that look specifically at newly created water systems. He explains that it is important to have the counties oversight this work to ensure that viable water systems are constructed. Frequently the proposed developments are small and have fewer connections than is needed to qualify as a public water system and consequently they aren't subject to the Board rules. However, as frequently the case, these small water systems combine and add connections over time. Then, if not constructed properly, they come to the Drinking Water Board and request funding to fix their problems. Further, because of financial hardships, they frequently ask the Board for grant funding.

Clyde recommends that the County adopt ordinances that address these issues. In concert with the Division, he suggests that the County require that the developer obtain an engineering review from the Division as part of their approval process. Under this arrangement, the Division can give an engineering review report with recommendations to the County. The County can in turn require that the recommendations be followed to avoid citizen complaints in the early years and compliance with the Board's rules in the long term.

Clyde explained that County Commissioners change on a regular basis, so it seems his job is never done. The RWAU, the Drinking Water Board, and Division staff have always had a relationship with water systems in the State. Now RWAU is striving to build relationships within the Counties.

Paul Hansen told Clyde Watkins his approach was a good one and in doing it this way it will ensure consistency.

Curt Ludvigson: Curt explained that commissioners in many counties have a desire to do the right thing but they lack the education and knowledge they need to do the job. They need a lot of guidance. He explained his title is Management Technician. In his role he works with the funding agencies, including: the Community Impact Board, the Water Quality Board, Rural Development, Bureau of Reclamation, Army Corps of Engineers and of course the Drinking Water Board. Clyde explained he works on directing systems to financial assistance and where the best place is to apply.

Curt works with water systems to build viability. Specifically this involves helps and instructions on: water rates, budgeting, accounting, planning, asset management, laws and regulations, operations, and human resources issues. Curt also mentioned he appreciates being associated with all of DDW'S Staff and the Board.

Chuck Jeffs: Chuck is a Compliance Circuit Rider with RWAU. He assists water system to remain in compliance with the Board's rules. He assists with operator certification and works specifically with non-complying water systems. He attends quarterly meetings with Division staff where strategies are developed to bring egregious violators back into compliance. Typically, such strategies involve a technical assistance piece. Since, Chuck is not a governmental regulator; he can often get in the door and work one on one with the operator or water system management to resolve problems. Chuck mentioned it is great working with the Board and DDW Staff.

ITEM NO. 10 - CHAIRMAN'S REPORT

a. Election of Chair and Vice-Chair

Paul Hansen clarified that the Board holds elections for the positions of Chair, and Vice-Chair in the early spring. However it was delayed in anticipation of the new board structure starting today.

Ken Bousfield opened up the floor for nominations for the Chair of the Drinking Water Board.

NOMINATION:

Betty Naylor nominated Paul Hansen to be the Drinking Water Board Chair, Betty stated she finds Paul Hansen a capable leader and conducts the meetings in a professional manner. He is also able to bring consensus and conclusions if we have debates on the Board.

MOTION:

Motion made by Tage Flint to close the nomination for Drinking Water Board Chair, seconded by Heather Jackson.

**CARRIED
(Unanimous)**

Motion made by Heather Jackson to appoint Paul Hansen as Drinking Water Board Chairman, seconded by Tage Flint.

**CARRIED
(Unanimous)**

Ken Bousfield turned the meeting back to Chairman Paul Hansen.

Paul Hansen thanked the Drinking Water Board and staff for their support.

Paul Hansen asked for nominations for Vice-Chair, he first clarified the Vice-Chair of the DWB also serves as the Vice-Chair of the Financial Assistance Committee.

NOMINATION:

Heather Jackson nominated Betty Naylor, Heather stated that Betty does her homework she spends a lot of time and looks into all aspects of everything brought to the Board, Heather stated she appreciates Betty for her hard work and Heather stated she believes Betty would really do well as Vice-Chair on the Drinking Water Board.

MOTION:

Motion made by Heather Jackson to close nominations for Drinking Water Board Vice-Chair, seconded by David Stevens.

**CARRIED
(Unanimous)**

Motion made by Heather Jackson to appoint Betty Naylor as Drinking Water Board Vice-Chair, seconded by David Stevens.

**CARRIED
(Unanimous)**

b. Election of Financial Assistance Committee Members

Paul Hansen advised the Drinking Water Board that two additional Drinking Water Board Members need to be elected to be on the Financial Assistance Committee. In past years there have been 5 members however due to the reconstruction of Board Member numbers we can only have 4 members. By tradition the Drinking Water Board Chair and Vice-Chair serve on the Financial Assistance Committee. David Stevens volunteered along with Natasha Madsen.

MOTION:

Motion made by Paul Hansen to appoint David Stevens and Natasha Madsen as the Financial Assistance Committee representatives serving along with the Drinking Water Board Chairman Paul Hansen and Vice-Chair Betty Naylor, Seconded by Heather Jackson.

**CARRIED
(Unanimous)**

ITEM NO. 11 - DIRECTOR'S REPORT

a. The Division's Budget

Ken Bousfield reported on two items: the Division's Budget and Scheduled Energy Efficiency Workshops.

Relative to the Divisions budget, Ken explained that the division budget is funded by 75% from Federal sources and 25% from State sources. The Federal Funds are being cut, but additional Federal requirements continue to be imposed on the States. They have adopted 18 new rules in the last 10 years, which we must implement in order to retain Primacy. These are unfunded mandates, which the Division understands is not fair. However, a similar situation occurs when the Division contracts with local health departments to perform some of the Sanitary Survey work. Consequently, the Division must find additional monies to be fair with the local health departments. Thirdly, the Division is desirous to improve its data processing efforts to achieve greater efficiencies. So the Divisions budget is decreasing and the funding needs are increasing.

To address the situation we find ourselves in, the Division is considering fees to fill the funding gap from lost revenue and address the funding needs. Specifically, the Division is looking at alternate Federal sources of money and fees from regulated water utilities. Ken mentioned the Federal SRF set asides option and a specific fee schedule for water systems based on the population served. He also mentioned 7 water systems where the fee would be based on source capacity rather than population because it was more representative of those utilities ability to pay.

Paul Hansen asked if Ken is looking at a combination of all those sources or looking for one single proposed source to be approved. Ken Bousfield explained he is first looking at additional Federal money to cover financial losses and then what isn't covered he is looking at fees to fill the gap.

Tage Flint recommended that staff advise the law makers that there are many issues coming up when trying to tax water sources. Regarding how it is DDW is going to fund water development to support the projected doubled population in the next thirty years. So efforts are not redundant the same groups are being targeted as part of the funding.

Natasha Madsen notified Ken of issues with using the word fees; she also warned that there is a Legislator identifying the population sizes that are appropriate for assessing fees. Natasha Madsen asked Ken if there would be any conflict with assessing a water fee. Ken responded that each water utility would be assessed the fee rather than individuals. Ken did acknowledge that utilities would likely increase rates to pay the fee.

b. Energy Workshop Series

Ken talked about a future training on energy efficiency in Utah provided by North Carolina University through an EPA Grant. In connection with this training and the resultant message, Ken asked the Board if they would consider encouraging SRF applicants to prepare, where appropriate, energy efficient projects. The idea being that more efficient projects would be less expensive to operate and maintain. Energy efficient projects would be more affordable.

Paul suggested that DDW staff could offer an incentive such as offering lower interest rates, if a system agrees to follow the energy efficient guidelines. Paul Hansen also recommended it would be a good idea to look at a standard of efficiency to follow, and proposing incentive for water systems to want to follow.

ITEM NO. 12 - NEXT BOARD MEETING

Date: July 12, 2013
Time of Board Meeting: 1:00 p.m.
Location: DEQ Board Conference Room
195 North 1950 West
Salt Lake City, Utah 84116
Phone: (801) 536-4200

ITEM NO. 13 - OTHER

Michael Grange stated that a part of Item No 5 was missed. He mentioned that he wished to lay a foundation to let the board know that North Salt Lake and Woods Cross Cities are dealing with a Tetrachloroethylene or PCE contaminant plume in their drinking water aquifer. It is currently designated as an EPA Superfund Priority Site. Woods Cross City is preparing an application that will be presented to the Financial Assistance Committee at the June, 19th meeting. Their proposal is a granulated activated treatment plant with some additional infrastructure to go along with that. This information is just a heads up for the Board that Woods Cross is requesting a \$4 to \$4.5 million project of the Board. They have 5 wells and four of them were impacted by PCE, so they are planning to tie three wells together and run it through the treatment plant they are proposing. Michael clarified the Financial Assistance Committee meeting is June 19, 2013 at 9:00 a.m.

ITEM NO. 14 - ADJOURN

Motion made by Heather Jackson to adjourn the Drinking Water Board Meeting at 2:40 p.m. seconded by David Stevens.

**CARRIED
(Unanimous)**

Misty Tabor
Recording Secretary