



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

DRINKING WATER BOARD MEETING
September 1, 2015 - 1:30 pm
Davis Conference Center – Zephyr Room
1651 North 700 West
Layton, Utah 84041

FINAL MINUTES

1. **Call to Order – Vice-Chairman Naylor**

Betty Naylor, Board Vice-Chairman, called the meeting to order at 1:30 pm.

2. **Roll Call – Ken Bousfield**

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

Mark Stevens joined the meeting at 1:45 pm, while item 4(C)(i)(b) was being presented.

Board Members excused: Paul Hansen, Tage Flint, and Brad Johnson.

Division Staff present: Ken Bousfield, Michael Grange, Gary Kobzeff, Ying-Ying Macauley, Bernie Clark, Heather Bobb, and Marianne Booth.

3. **Approval of the Minutes:**

A. July 10, 2015

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

B. August 20, 2015

- David Sakrison moved to approve the minutes. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

4. **Financial Assistance Committee Report**

A. Status Report – Michael Grange

Michael Grange, the Construction Assistance Section Manger with the Division of Drinking Water (DDW, the Division) informed the Drinking Water Board (DWB, the Board) that the State SRF fund currently has just over \$400,000 and the Division is expecting an additional \$6.1 million to come into the fund by August 1, 2016, for a total of \$6.5 million to be available for the funding of projects. He then reported that though the majority of SRF projects are for planning there are four construction projects.

Michael then reported that the Federal SRF fund currently has just over \$36,700,000 and the Division is expecting an additional \$15 million to come into the fund by July 31, 2016, for a total of \$52 million to be available for the funding of projects. In response to questions from the Board, Michael also reported on the status of the projects being funded by the Federal SRF program.

B. Project Priority List – Michael Grange

Michael Grange proposed that two new projects be added to the project priority list. The first is Greenwich, with 18.3 points, and a project consisting of a new chlorination facility. The second is Fillmore City, with 25.5 points, and a project consisting of water line replacement. The Financial Assistance Committee (FAC) recommends that the Board approve the updated project priority list.

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

C. SRF Applications

i. FEDERAL:

a) Elsinore Town – Gary Kobzeff

Representing Elsinore Town was Valerie Hopper, Elsinore Town Council, and Darin Robinson of Jones & DeMille Engineering.

Gary Kobzeff, Environmental Engineer with the Division, informed the Board that Elsinore Town is requesting a Planning Advance in the amount of \$45,000 to prepare a Capital Facility Plan which would include growth projections, future buildout areas, preliminary layouts, hydraulic modeling, the condition of their system, system capacity analysis, storage summary analysis, electrical efficiency, development of future needs and impact fee analysis. The local MAGI for Elsinore is \$27,356, or approximately 68% of the State MAGI. Their current water bill is \$31.76 or 1.39% of the local MAGI, qualifying them to be considered for additional subsidization. The FAC recommends that the Board authorize a \$45,000 planning grant to Elsinore Town to fund a Capital Facility Plan.

- Brett Chynoweth moved to authorize a \$45,000 planning grant to Elsinore Town to fund a Capital Facility Plan. David Stevens seconded. The motion was carried unanimously by the Board.

b) Fillmore City – Michael Grange

Representing Fillmore City was Eric Jensen, Fillmore City Council, and Doug Nielson of Sunrise Engineering.

Michael Grange informed the Board that Fillmore City is requesting \$2,152,000 in financial assistance to replace approximately 26,000 feet of old and leaking water lines with a total project cost estimated to be \$2,552,000, and that Fillmore will be contributing \$400,000 towards the project as well. He then reported that this project is on the project priority list with 25.5 points and Fillmore has recently completed a master plan. The local MAGI for Fillmore is \$37,861 or 94% of the State MAGI. Their current average water bill is \$31 or 0.99% of the local MAGI. The proposed funding would increase their average water bill to \$33 or 1.04% of the local MAGI, disqualifying them for additional subsidization. The FAC recommends that the Board authorize a loan of \$2,152,000 at 2.45% interest for 20 years to Fillmore City.

There was discussion between the Board, Division Staff, and those representing Fillmore. It was mentioned that this would be the 1st phase to correct some existing problems within Fillmore's system. There was also a question to how old the pipe being replaced was, and while that was not known, it was noted that there is some cast iron and some pvc.

Ken Bousfield, Division Director, also made note that Representative Merrill Nelson had called him earlier in the day and stated that he would like the record to show that he is in favor of this project and supports it.

- David Stevens moved to authorize a loan of \$2,152,000 at 2.45% interest for 20 years to Fillmore City. Mark Stevens seconded. The motion was carried unanimously by the Board.

c) Hooper Water De-authorization – Michael Grange

Michael Grange reported that on July 10, 2015 the Board had authorized a construction loan of \$5,423,000 at 2.76% interest for 20 years to Hooper Water to replace 3 miles of 18 inch and 16 inch ductile iron pipe as well as a 1200 meter switch out, however Division staff have received a letter from Hooper stating that they are seeking funding elsewhere and wish to withdraw their request for funding. Division staff recommends that the Board de-authorize the construction loan of \$5,423,000 at 2.76% interest or fee for 20 years to Hooper Water Improvement District.

In response to Board questions regarding the reasoning for the withdrawal request Michael stated that he would contact Hooper and then report back to the Board. Michael also reported that at the recent Region 8 All States meeting in Denver, that other states are seemingly having the same issues as Utah with regards to the Federal funding requirements.

- Brett Chynoweth moved to de-authorize a loan of \$5,423,000 at 2.76% interest for 20 years to Hooper Water Improvement District. David Sakrison seconded. The motion was carried unanimously by the Board.

5. **Authorization to Proceed with Rulemaking Actions:**

A. Request to Adopt Amendments to R309-550-10, *Facility Design and Operation: Transmission and Distribution Pipelines, Water Hauling* – Bernie Clark

Bernie Clark, Environmental Scientist with the Division, reminded the Board that on July 10, 2015 they authorized the Division to start the rulemaking process for changes to R309-550-10, which was then published in the Utah State Bulletin on August 1, 2015 and a 30 day comment period ran from August 1, 2015 to August 31, 2015 during which the Division received no comments. Division staff recommends that the Board adopt the amendment to R309-550-10 and authorize the staff to make the amended rule effective on September 10, 2015.

Bernie then reminded the Board that the amendment would require that all water systems get Director approval to haul water. In response to questions from the Board, he also noted that this would not affect how emergency water hauling would be handled.

- Mark Stevens moved to adopt the amendment to Rule 309-550-10 and authorize staff to make it effective on September 10, 2015. Roger Fridal seconded. The motion was carried unanimously by the Board.

B. Request to Begin Rulemaking to Amend R309-520, *Facility Design and Operation: Disinfection* – Bernie Clark

Bernie Clark reported to the Board that R309-520 is the rule that governs disinfection of public drinking water and was last amended in August of 2013. He then noted that there are some minor changes throughout the rule, with substantive changes in sections 520-6 and 520-7, which deal with general and chlorine disinfection respectively, with regards to safety requirements and making the rule easier to understand. Bernie then noted that the Division had held an informal internal and an informal external review from June 30, 2015 to August 5, 2015 and staff did receive comments and made changes accordingly. If authorized, the Division would file the amended rule with the Division of Administrative Rules for publication in the Utah Bulletin and a formal public comment period would commence from October 1, 2015 to November 2, 2015. Division staff recommends that the Board authorize them to begin the rulemaking process and file the proposed rule amendment for publication in the Utah State Bulletin.

In response to questions from the Board, Bernie noted that the date a project is submitted for review and the effective dates of the rules determine old rule/new rule applicability.

- Roger Fridal moved to authorize staff to begin the rulemaking process and file the proposed rule amendment to R309-520 for publication in the Utah State Bulletin. Mark Stevens seconded. The motion was carried unanimously by the Board.

C. Request to Begin Rulemaking to Amend R309-500-6, *Facility Design and Operation: Plan Review, Operation and Maintenance Requirements, Plan Approval Procedure* – Bernie Clark

Bernie Clark informed the Board that even though R309-500 was last amended on July 15, 2015, the staff would like to amend section 6 to add a new feature to the waiver program. He

explained that currently the water systems apply for a waiver on a per project basis but with the change there would be an option to obtain waivers for multiple projects after the projects were constructed with additional tracking and form submittal requirements. Division staff recommends that the Board authorize them to start the rulemaking process and file the proposed amendment to R309-500-6 for publication in the Utah State Bulletin.

- David Stevens moved to authorize staff to begin the rulemaking process and file the proposed rule amendment to R309-500-6 for publication in the Utah State Bulletin. Brett Chynoweth 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 (RWAU), thanked the Board for holding their Board meeting at their Fall Conference and presented them each with a small pin. He then reported that there are 300 people in attendance at the Conference and roughly 40 individuals were taking the Drinking Water Operator certification training and exam.

Dale then referred to the RWAU Annual Report and explained how the pie chart represents the work primarily from the management and compliance programs that are funded by the Division and that the pie chart does not reflect the work of RWAU's federally funded personnel and programs. He went on to inform the Board that 174 systems have received their operator certifications through RWAU's online certification program. Dale also explained that RWAU in conjunction with the Division of Water Rights and the Division of Water Resources have a water rights certification program and have been working on a water conservation certification program as well. He also informed the Board about a drought mitigation program RWAU is working on with the Divisions of Water Resources, Water Rights, and Emergency Management.

7. **Directors Report**

A. Gold King Mine spill report

Ken Bousfield, Director of DDW, reported on the Gold King Mine spill, informing the Board on the impacts it had on three Utah drinking water systems that are regulated by the Division. They are Sand Island, which is a recreational facility, the town of Mexican Hat, and the town of Bluff. He then reported that all three of these systems use wells as sources of water supply and do not directly draw water in from the San Juan River. He reported that San Juan River water testing performed by the Division of Water Quality showed that the total metals exceeded DDW standards but dissolved metals were below DDW standards. Mexican Hat and Bluff will be conducting ongoing monitoring which will enable them to detect any long term effects from the spill.

B. Tax Review Commission meetings report

Ken reported to the Board that he attended an August 27, 2015 with the Tax Review Commission. This is a commission appointed by the State Legislature. This commission's charge is to review the appropriateness of using sales tax revenue to fund the State SRF

program. This source of money generates \$3.6 million each year. After 45 minutes of grilling questions, the Commission voted to: 1) recommend that the Legislature sunset the use of sales tax monies for the program in five years with a requirement that the Legislature would have to renew it every five years and 2) recommend that the Legislature require that the applicable appropriations committee review the program every two years, with the additional recommendation that the next review be done before the Legislature meets in January 2016.

C. Water Development Commission meeting report

Ken reported that on August 18, 2015 there was a Water Development Commission meeting in which he was given five minutes to inform them about the State and Federal SRF programs.

D. Public Fee Hearing

Lastly Ken reported that there will be a public fee hearing for the Department of Environmental Quality's proposed fees held on September 10, 2015 at 1:00 pm in the Board room and there is a small change to the Divisions fee schedule which would change the current "penalty" fee for construction without prior plan approval to a "cost recovery" fee.

8. **Other**

9. **Next Board Meeting:**

Date: Friday, November 13, 2015
Time: 1:00 pm
Place: Multi Agency State Office Building
Room 1015
195 North 1950 West
Salt Lake City, Utah 84116

10. **Adjourn**

- Betty Naylor, Board Vice-Chairman, moved to adjourn the meeting. Brett Chynoweth seconded. The motion was carried unanimously by the Board

The meeting adjourned at 2:48 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.