State of Utah

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Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
Director

Water Quality Board
Myron E. Bateman, *Chair*
Shane E. Pace, *Vice Chair*
Clyde L. Bunker
Merritt K. Frey
Gregg A. Galecki
Jennifer M. Grant
Leland J. Myers
Hugo E. Rodier
Amanda Smith
Walter L. Baker
Executive Secretary

MINUTES
UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
UTAH WATER QUALITY BOARD

DEQ Building Board Room 1015
195 North 1950 West
Salt Lake City, Utah 84116
June 25, 2014

UTAH WATER QUALITY BOARD MEMBERS PRESENT

Myron Bateman	Jennifer Grant	Shane Pace
Leland Myers	Gregg Galecki	Merritt Frey
Hugo Rodier	Clyde Bunker	

Excused: Amanda Smith

DIVISION OF WATER QUALITY STAFF MEMBERS PRESENT

Walt Baker, Leah Ann Lamb, John Whitehead, Faye Bell, Jenny Nicholas, Jeff Studenka, John Cook, Dan Hall, Erica Gaddis, Jim Harris, John Mackey, Lisa Nelson, Don Hall, Carl Adams, Emily Canton, John Kennington, Kari Lundeen, Woody Campbell,

OTHERS PRESENT

Name	Organization Representing
Glenn Eurick	Rio Tinto Kennecott
Lisa Kirschnre	Parson Behle & Latimer
Jim Olson	Water Works Engineers
Mayor Shaun Dustin	Nibley City
Amy O-Donoghue	Deseret News
Alexandra Rasband	Logan City
Jeff DenBleyker	CH2M Hill
Steve Jackson	Jackson Engineering
Dave Norman	Eagle Mountain City
Jeremy Cook	Parsons Kinghern Harris
Jim Gass	Smithfield City
David Zoon	Nibley City
Trevor Lindley	J-U-B Engineers
Don Calderwood	Providence City
Zan Murray	J-U-B Engineers
James Brackner	River Heights City
Lloyd Berentsen	North Logan City
Mayor Craig Peterson	Logan City
Craig Ashcroft	Carollo Engineers

Issa Hamud	Logan City
Jeff Beckman	Bowen Collins
Doug Nielsen	Sunrise Engineering

Myron Bateman called the Board meeting to order at 9:38 a.m. and invited the members of the audience to introduce themselves.

Election of WQB Chair and Vice Chair: Mr. Baker opened nominations for Water Quality Board Chairman.

Motion: **Mr. Bunker nominated Mr. Bateman to be retained as the Chair of the Water Quality Board. The motion was seconded by Mr. Pace. The motion was unanimously approved.**

Mr. Bateman opened nominations for Water Quality Board Vice Chairman.

Motion: **Mr. Bunker nominated Mr. Pace to replace Mr. Bunker as Vice Chair of the Water Quality Board. The motion was seconded by Mr. Myers. The motion was unanimously approved.**

APPROVAL OF MINUTES OF THE MAY 28, 2014 MEETING

Motion: **It was moved by Mr. Pace and seconded by Mr. Myers to approve the minutes of the May 28, 2014 Water Quality Board meeting as written. The motion was unanimously approved, with Ms. Frey abstaining.**

Executive Secretary's Report: Mr. Baker reported that the Supreme Court of Utah recently denied the appeal of an administrative determination of the Water Quality Board regarding the issuance of a permit by rule to US Oil Sands, Inc., for its tar sands bitumen extraction project in Uintah Basin. The court stated that the original permit was granted by the Division of Water Quality in 2008 was not challenged within thirty days under Utah Code section 63G-4-301(1)(a), and thus became final. The 2008 decision was reaffirmed in 2011 by the Executive Secretary which decision was appealed. The court dismissed the petition stating there was not a timely challenge to the 2008 decision.

A total of six public meetings on the Technology Based Limits phosphorus have been scheduled around the state. Four have been completed and two are pending. The meetings have been sparsely attended but have been positive and have generated useful discussions.

The Echo and Rockport Reservoir TMDLs were presented to the Legislature's Interim Committee for comments. .

In the news recently, there have been articles concerning a penalty of $250,000 imposed on Ivory Homes by EPA. The stormwater violations were the result of inspections conducted in 2008 in a case that just barely reached resolution and did not involve the Division of Water Quality.

Mr. Baker introduced Erica Gaddis to the Board. Ms. Gaddis is the new section manager for the Water Quality Management Section.

John Whitehead, the Assistant Director of the Permits, Compliance & Watershed Branch, will be retiring the end of July after 32 years of service with the State.

FUNDING REQUESTS

Financial Status Report: Ms. Canton updated the Board on the "Summary of Assistance Program Funds" as shown on page 2.1 of the Board package.

White Hills/Eagle Mountain Request for Authorization: Ms. Nelson introduced Dave Norman with Eagle Mountain City, Steve Jackson with Jackson Engineering and Dave Norman from Parsons, Kinghorn, Harris. Eagle Mountain is requesting financial assistance in the amount of $598,000 loan at 0% interest for 20 years and $490,000 grant for the repair of an existing collection system and the construction of a new sewer pipeline and pump station. This pipeline will transport the sewage from the recently annexed White Hills Subdivision and allow the existing and failing lagoon to be decommissioned and closed. White Hills is a small subdivision constructed in the late 1970's and 1980's northwest of Eagle Mountain. Currently, there are 115 active connections for the 135 residential lots. The sanitary sewer service for White Hills has previously been provided by the White Hills Special Service District (WHSSD) lagoons. WHSSD lagoons are in complete disrepair and unable to function properly. The project will be for the construction of a new sewer interceptor pipeline to convey sewage from the White Hills subdivision to the Eagle Mountain wastewater treatment facility. The existing lagoon will be decommissioned and closed.

Motion: **Following a discussion concerning the 0% interest rate proposed, it was moved by Mr. Bunker and seconded by Mr. Pace to approve financial assistance to White Hills/Eagle Mountain in the form of a $598,000 loan at 1% interest, over 20 years, a $490,000 grant, and a $54,000 design advance. The motion was unanimously approved.**

RULEMAKING

Request to adopt changes on R317-1-7.62 *Echo Reservoir and R317-1-7.63 Rockport Reservoir:* Ms. Lundeen explained the comment period closed May 15, 2014. No comments were received on the proposed rule change. Staff recommended the Board approve the TMDL Study of Echo and Rockport Reservoirs into Rule (R317-1-7. A member of the Board, Mr. Bunker requested postponing approval of the rule 30 days per Representative Ure's request to allow Mr. Ure to review the TMDL.

Motion: **It was moved by Mr. Myers and seconded by Mr. Pace to approve R317-1-7.62 and R317-1-7.63 effective August 1, 2014 allowing Rep. Ure 30 days to comment. If no comments are received, the rule will go into effect as approved. The motion was unanimously approved.**

Request to Initiate Rulemaking for R317-12, *Sales Tax Rule:* Mr. Cook said, as a result of HB 31, which clarified the eligibility of items for certification as Pollution Control Facilities and enacted a new class of eligible Freestanding Pollution Control Equipment, Rule R317-12 was in need of revision. The changes to the statutes that govern the certification of pollution control equipment for sales tax exemption were made at the request of industry because of a dispute between the Division of Air Quality and an applicant. The dispute centered on when the replacement of a component of pollution control facility changed from being an operations and maintenance item to being a capital improvement eligible for new certification. The change to the statutes was supported by both industry and staff. It was recommended that the Board approve the initiation of rulemaking to repeal and to reenact 317-12, as amended.

Motion: **It was moved by Mr. Myers and seconded by Mr. Pace to approve staff's recommendation to proceed to rulemaking on R317-12. The motion was unanimously approved.**

OTHER BUSINESS

Logan City Funding Update: Ms. Nelson introduced: Mayor Craig Peterson and Issa Hamud (Logan City); Craig Ashcroft (Carollo Engineers); Mayor Shaun Dustin (Nibley City); Mayor Don Calderwood (Providence City); Mayor James Brockner (River Heights City); Mayor Lloyd Berentsen (North Logan City); and Jim Gass (Smithfield City). Mayor Peterson explained to the Board that Logan City's current proposal to the six communities is to share treatment plant oversight authority by forming two committees, one technical and one "rate setting," with proportionate representation from all cities involved.

Mayor Berentsen from North Logan spoke regarding the concerns of surrounding communities receiving services from Logan City. Board members were given a document explaining the concerns, which are:

1. Logan City acts as a monopoly entity for a service that all residents of the outlying cities are forced to subscribe to without a fair say.
2. In addition to an administrative charge, Logan City transfers profits into its general fund.
3. Logan City assesses a fee or taxation without representation.

Motion: **It was moved by Mr. Myers and seconded by Mr. Pace to maintain approval of the $70,000,000 loan to Logan City, and also:**

1. **Reserve the Board's right to change the loan conditions through November 1, 2014.**
2. **Encourage the cities to develop an inter-local agreement which resolves concerns on the following issues:**
   a. **Funding and rates setting authority**
   b. **Capacity allocation issues**
   c. **Technical management issues**

This agreement would be binding on all parties.

The motion was unanimously approved.

Next Meeting – August 27, 2014 @ 9:30 a.m.
DEQ Building Board Room #1015
195 North 1950 West
Salt Lake City, Utah 84116

Myron Bateman, Chair
Utah Water Quality Board