



## 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  
November 18, 2016 – 1:00 pm  
Multi Agency State Office Building – Room 1015  
195 North 1950 West  
Salt Lake City, Utah 84116

### FINAL 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, Brad Johnson, and David Sakrison.

Board Members excused: Roger Fridal, David Stevens, and Mark Stevens.

Division Staff present: Ken Bousfield, Michael Grange, Julie Cobleigh, Rich Peterson, Bernie Clark, Lisa Nelson, Heather Bobb, and Marianne Booth

#### 3. Approval of the Minutes:

##### A. August 30, 2016

##### B. September 14, 2016

- Betty Naylor moved to approve both sets of minutes. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

#### 4. Financial Assistance Committee Report

Michael Grange, Construction Assistance Section Manager with the Division of Drinking Water (DDW, the Division), took a moment to introduce the newest member of the Construction Assistance section of the Division, Lisa Nelson, to the Board.

## **A. Status Report – Michael Grange**

Michael Grange reported that there is currently \$4.8 million in the State SRF fund and over the course of the next year the Division is expecting \$800,000 in interest payments, \$3.5 million in principal payments, \$48,000 in interest on investments, and \$3.6 million from sales tax revenue, for a total of approximately \$9.7 million available for funding projects by October 31, 2017. Michael did point out that currently the State hardship fund is -\$300,000 and although with the money coming in it will be back in the black by next year, Staff will be taking extreme care with it.

Michael then reported that there is currently \$20.6 million in the Federal SRF fund and over the course of the next year the Division is expecting an additional \$18 million to come into the fund, for a total of approximately \$38.8 million to be available for the funding of projects by November 1, 2017. Michael also pointed out that currently the Federal hardship fund is -\$400,000, and unfortunately the money coming in over the next year will not bring that number back up into the black. He also noted that this is not the principal forgiveness allotment that the Board has discretion to use.

Michael updated the Board on the following Federal projects:

- West Erda – Authorized in November 2014. Has changed the scope of their project several times. Have run into issues with affordability and local support. Will be holding a public meeting on December 20, 2016.
- Wellington – Authorized in April 2016. Has changed the scope of their project and will be going to the Community Impact Board (CIB) to request funding and then requesting that the Board de-authorize their funding.
- Cedar Point/Big Plains Water and Sewer and Central Iron County Water Conservancy were both planning projects for aquifer studies and well sighting studies that are almost completed.
- Forest Glen A – Authorized in February 2014. Their project was originally planned to take several years as they have a limited construction window being located up Cottonwood Canyon.
- Kane County Water Conservancy District – Their project is now completed.

## **B. Project Priority List – Michael Grange**

Michael Grange proposed that the following three new projects be added to the project priority list:

- Lizard Bench with 28.7 points and a project consisting of water line, well house upgrades, sodium hypochlorite system and a tank liner.
- Bridge Hollow Water Association with 27 points and project consisting of a new well.
- Hanksville Town with 26.3 points and a project consisting of a new water line, replacing old water lines, and installing meters.

Division Staff recommends that the Board approve the updated project priority list.

- David Sakrison 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) Eagle Mountain City - Rich Peterson**

Rich Peterson, Environmental Engineer with the Division, informed the Board that Eagle Mountain City (Eagle Mtn.) was authorized Federal financial assistance by the Board on January 8, 2016 in the amount of \$2,895,000 for a project consisting of a four mile pipeline and a pump station. Since that time, Eagle Mtn. has decided to fund those projects internally and is now requesting to change the scope of their project to construct a 2 million gallon water tank and Division Staff is recommending that the financial assistance be changed from Federal to State. Rich also noted that Eagle Mtn. will contribute \$500,000 toward the project and that due to inconsistencies on their 2014 Federal Single Audit report, funding will be contingent upon them coming into compliance with the Federal Single Audit Act. The local MAGI for Eagle Mtn. is \$59, 038, which is 137% of the State MAGI. Their water bill after funding is expected to be 1.19% of the local MAGI; therefore they do not qualify for additional subsidization. Division Staff recommends that the Drinking Water Board (the Board) de-authorize the Federal funding to Eagle Mountain City and then authorize a loan of \$1.8 million at 1.4% interest for 20 years with the condition that the issue with their 2014 Federal Single Audit report be resolved.

- Paul Hansen moved to de-authorize the \$2,895,000 loan to Eagle Mountain City. Brett Chynoweth seconded. The motion was carried unanimously by the Board.
- Paul Hansen moved to authorize a \$1.8 million loan at 1.4% interest or fee per annum for 20 years to Eagle Mountain City. David Sakrison seconded. The motion was carried unanimously by the Board.

### **ii. FEDERAL:**

#### **a) Lizard Bench – Julie Cobleigh**

Representing Lizard Bench was Lynn Wall of Wall Engineering.

Julie Cobleigh, Environmental Engineer with the Division, informed the Board that Lizard Bench is requesting \$28,000 in financial assistance in order to upgrade their well house, install chlorination equipment, construct 950 feet of water line, and install a liner on their existing tank. Julie noted that the total project cost is estimated to be \$56,000, Lizard Bench will contribute half of the funding; they are currently under a corrective action plan with the Division, and this project will all their deficiencies and bring them into compliance. The local MAGI for Lizard Bench is \$28,094, which is 67% of the State MAGI, therefore they do qualify for additional subsidization. Due to the small cost of the project and the high cost and time associated with bond closing; the Financial Assistance Committee (FAC) recommends that the Board authorize a \$28,000 loan with 100% principal forgiveness to Lizard Bench.

There was discussion between the Board, Division Staff, and those representing Lizard Bench regarding the amount of connections, that Lizard Bench is a privately owned

system, and the current water bill being more than the estimated after loan bill. Julie explained that Lizard Bench currently collects a little more than they need to and hold it in a reserve account, which is why they are able to contribute half of the funding for this project. There was also discussion regarding that in the event of remaining funds, they would go back into the Federal SRF fund.

- Brett Chynoweth moved to authorize a \$28,000 loan with 100% principal forgiveness to Lizard Bench. David Sakrison seconded. The motion was carried unanimously by the Board.

#### **b) Hanksville Town – Julie Cobleigh**

Representing Hanksville Town (Hanksville) was Kim Wilson, Mayor.

Julie Cobleigh informed the Board that Hanksville is requesting \$601,548 in financial assistance to replace and upgrade their existing distribution system, replace fire hydrants, add auto read meters, and install a telemetry system. The local MAGI for Hanksville is \$18,692, which is 45% of the State MAGI. Their water bill after funding is expected to be \$57.50, or 3.69% of local MAGI, therefore they do qualify for additional subsidization. Division Staff explored 3 different funding options. The FAC recommends that the Board authorize option 3, a \$601,548 construction loan with 0% interest or fee per annum for 30 years with \$180,548 in principal forgiveness to Hanksville Town.

There was discussion between the Board, Division Staff, and those representing Hanksville regarding the amount of connection and how this project is a portion of their economic development plan as a gateway city for Lake Powell.

- Tage Flint moved to authorize a \$601,548 construction loan at 0% interest or fee per annum for 30 years with \$180,548 in principal forgiveness to Hanksville Town. David Sakrison seconded. The motion was carried unanimously by the Board.

#### **c) Bridge Hollow Water Association – Rich Peterson**

Rich Peterson informed the Board that Bridge Hollow Water Association (Bridge Hollow) is requesting \$225,000 in financial assistance to drill a replacement well as their prior one has collapsed. The local MAGI for Bridge Hollow is \$62,689, which is 150% of the State MAGI. Their water bill after funding is expected to be \$98.33, or 1.88% of the local MAGI, therefore they do qualify for additional subsidization. The FAC recommends that the Board authorize a \$225,000 loan at 1% interest or fee per annum for 30 years with \$67,000 in principal forgiveness to Bridge Hollow Water Association

There was discussion between the Board and Division Staff regarding the increase in the after project water bill. It was noted that Bridge Hollow is aware of it, and there has been public notification.

- Paul Hansen moved to authorize a \$225,000 loan at 1% interest or fee per annum for 30 years with \$67,000 in principal forgiveness to Bridge Hollow Water Association. Tage Flint seconded. The motion was carried unanimously by the Board.

**iii. Other:**

Michael Grange informed the Board that Kane County Water Conservancy District's (Kane County) Johnson Canyon project is now completed; however they have approximately \$50,000 to \$60,000 in remaining funds. Kane County is requesting that the Board authorize them to use the remaining funds to purchase operational equipment.

There was discussion between the Board and Division Staff regarding precedence. It was noted that historically the Board has authorized remaining funds to be utilized for this purpose. It was also noted that the Board appreciates systems that conserve where possible and do find themselves with remaining funds.

- Brett Chynoweth moved to authorize Kane County Water Conservancy District to utilize the remaining balance of their remaining funding to purchase operational equipment. Paul Hansen seconded. The motion was carried unanimously by the Board.

**5. Authorization – Adoption of Rule Amendments:**

**A. R309-105-15, General Responsibilities of PWS: Report Submittal – Bernie Clark**

Bernie Clark, Environmental Scientist with the Division, reminded the Board that on August 30, 2016 they authorized the Division to begin the rulemaking process to amend R309-105-15 in response to new requirements of House Bill 305, which requires water systems to certify their water use data. A 30 day public comment period was held during October and no comments were received. Division Staff recommends that the Board adopt the amendment to R309-105-15 and authorize Division Staff to make the amended rule effective November 22, 2016.

- Betty Naylor moved to adopt the amendment to R309-105-15 and authorize Division Staff to make the amended rule effective November 22, 2016. David Sakrison seconded. The motion was carried unanimously by the Board.

**B. R309-400-12, Water System Rating Criteria Reporting and Record Maintenance Issues – Bernie Clark**

Bernie Clark reminded the Board that on August 30, 2016 they authorized the Division to begin the rulemaking process to amend R309-400-12, in response to new requirements of House Bill 305, and would assign deficiency points to a water system for not submitting their data or not having it certified. A 30 day public comment period was held during October and no comments were received. Division Staff recommends that the Board adopt the amendment to R309-400-12 and authorize Division Staff to make the amended rule effective November 22, 2016.

There was discussion between the Board and Division Staff and it was determined that deficiency points would be removed within a day or two after a water system submitted the required certified data. It was also noted that this goes along with the State Legislative audit that requested better water usage data and that there should be little or no additional cost to water systems to have their data certified by their water operator or their Professional Engineer.

- Tage Flint moved to adopt the amendment to R309-400-12 and authorize Division Staff to make the amended rule effective November 22, 2016. Betty Naylor seconded. The motion was carried unanimously by the Board.

## **6. Authorization – Changes to Proposed Rules:**

### **A. R309-535-5, Miscellaneous Treatment Methods: Fluoridation – Bernie Clark**

Bernie Clark reminded the Board that on August 30, 2016 they authorized the Division to begin the rulemaking process to amend R309-535-5. A 30 day public comment period was held during October and 3 comments from 1 commenter were received. Although minor, substantive changes need to be made, a new 30 day comment period is required. Division Staff recommends that the Board authorize the Division to begin the rulemaking process to change proposed rule R309-535-5 and to file the changed rule for publication in the Utah State Bulletin on December 15, 2016.

- Betty Naylor moved to authorize the Division to begin the rulemaking process to change proposed rule R309-535-5 and to file the changed rule for publication in the Utah State Bulletin on December 15, 2016. Tage Flint seconded. The motion was carried unanimously by the Board.

### **B. R309-540, Facility Design and Operation Pumping Facilities – Bernie Clark**

Bernie Clark reminded the Board that on August 30, 2016 they authorized the Division to begin the rulemaking process to amend R309-540. A 30 day public comment period was held during October and 2 comments from 1 commenter were received. Although minor changes are needed, Division Staff has decided to take more time to review the rule more fully and will bring this back before the Board at the January meeting.

## **7. Discussion – After-the-fact Review Policy – Michael Grange**

Michael Grange informed the Board that historically there have been incidents where the Division becomes aware of infrastructure that has been built and put into service in a water system that did not undergo the plan approval process and never received an operating permit. The Division has previously used an After-the-Fact review, which has never been formalized in writing. The Division is currently in the process of developing a formal After-the-Fact policy and will come back to the Board for approval at a future meeting.

There was discussion between the Board and Division Staff regarding the fact that the Division was authorized to assess a \$1000 fine to water systems that have circumvented the plan approval process, regardless of their size, but to date a penalty fee has not been assessed. Ken Bousfield clarified that the penalty fee was authorized during the 2015 Legislative session. Hence only projects constructed after July 2015 would be assessed a penalty.

## **8. Rural Water Association Report – Dale Pierson**

Dale Pierson, Executive Director of the Rural Water Association of Utah (RWAU), thanked the Board for their association.

Terry Smith, Management Specialist with RWAU, updated the Board on some of the work that he has been doing, including:

- A rate study and an asset management study for South Weber.
- A rate study for Oak City.
- Operator Certification training in Layton, Provo, St. George, and Ogden.
- An energy efficiency and water loss audit for Delta.
- Attended a Water Audit Class and learned software from the American Water Works Association (AWWA).

In response to questions from the Board, Terry informed them he would gladly send them a spreadsheet that he uses when doing rate studies, which also includes budget and asset management.

Brian Pattee, Compliance Circuit Rider with RWAU, updated the Board on some of the work that he has been doing, including Cross Connection Control training and assisting systems with their compliance issues.

Curt Ludvigson, Development Specialist with RWAU, updated the Board on the status of the “non-public drinking water rule” in the Central Utah area. The Central Utah Health Board has approved it to go out for public comment and Curt is working to have it put on the agendas for the Sanpete, Sevier, Juab, Millard, Piute, and Wayne County Planning Commission meetings.

## **9. Directors Report**

### **A. Drinking Water Boards’ 2017 Meeting Schedule**

Ken Bousfield, Division Director of DDW, requested that the Board review the proposed 2017 meeting schedule and notify the Division if there are any changes needed to accommodate them.

Paul Hansen noted that a new Chairman and Vice-Chair will need to be elected at the March 2017 meeting, as he will have completed 10 years on the Board.

### **B. Cross-Connection Control Commission Appointment**

Ken then informed the Board that Mark Baird has been selected to represent community drinking water suppliers on the Cross Connection Control Commission. The Commission recommends that the Board approve Mark Baird as a member of the Cross Connection Control Commission for the term ending in 2018.

- Betty Naylor moved to approve Mark Baird as a member of the Cross Connection Control Commission for the term ending in 2018. Tage Flint seconded. The motion was carried unanimously by the Board.

### **C. ASDWA Annual Conference – October 17 – 20, 2016**

Ken reported that he attended the annual Association of State Drinking Water Administrators (ASDWA) Annual Conference in Milwaukee, held October 17 through October 20, 2016. He noted those topics such as lead, algal blooms and their associated cyanotoxins, legionella, and

perfluorinated chemicals were discussed. Ken was happy to note that in Utah there is not a single incidence of detection of perfluorinated chemicals. Ken also reported that he presented the use of a heat map to identify potential contaminant sites. The presentation included a report on a nitrate increasing site in Cache County in conjunction with the Utah State University extension office. Dale Pierson of RWAU also made a presentation on drought, emergency response, and planning at the Conference.

#### **10. Ken Announces His Retirement**

Ken took a moment to announce that at 70 years old, and after 40 years of service, he will be retiring on December 30, 2016. Ken passed out a fact sheet about his service to members of the Board and notified the audience that there were additional copies if they were interested in having one.

The members of the Board expressed their appreciation of the work that Ken has done and the association that they have had with him over the years. This was met with a standing ovation from everyone in attendance at the meeting.

Paul Hansen also noted that the Board will take an observation only role with regards to the recruitment of a new Director.

#### **11. Other**

#### **12. Next Board Meeting:**

Date: Friday, January 13, 2017  
Time: 1:00 pm  
Place: Multi Agency State Office Building  
Room 1015  
195 North 1950 West  
Salt Lake City, Utah 84116

#### **13. Adjourn**

Paul Hansen called for a motion to adjourn.

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

**The meeting adjourned at 2:15 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.*