

Drinking Water Board Packet

January 13, 2017

Agenda



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

Michael Grange's Cell Phone #: (801) 674-2563

1. Call to Order – Chairman Hansen
2. Roll Call
3. Board Presentation
4. Approval of the Minutes:
 - A. November 18, 2016
5. Financial Assistance Committee Report
 - A. Status Report – Michael Grange
 - B. Project Priority List – Michael Grange
 - C. SRF Applications
 - i. STATE:
 - a)
 - ii. FEDERAL:
 - a) Wellington City – De-authorization – Michael Grange
 - b) Liberty Pipeline Company – De-authorization – Rich Peterson
 - c) Cedarview Montwell SSD – Lisa Nelson
 - iii. Other:
 - a) Stockton Town – Michael Grange
 - b) Henrieville – Michael Grange
6. DDW After-the-Fact Review Policy Discussion – Ying-Ying Macauley
7. Rural Water Association Report – Dale Pierson

8. Directors Report
 A. Changes to Proposed Board Schedule

9. Other

10. Next Board Meeting:

Date: Thursday, March 2, 2017
Time: 2:00 pm
Place: The Dixie Convention Center
Garden Room
1835 Convention Center Drive
St. George, Utah 84790

11. Adjourn

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.

Agenda Item

4(A)



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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

DRAFT 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.

Agenda Item

5(A)

DIVISION OF DRINKING WATER
STATE LOAN FUNDS
AS OF December 31, 2016

SUMMARY		
	Total State Fund:	\$11,860,497
	Total State Hardship Fund:	\$247,876
	Subtotal:	\$12,108,373
LESS AUTHORIZED	Less:	
	Authorized Loans & Closed loans in construction:	\$7,017,000
	Authorized Hardship:	\$985,600
	Subtotal:	\$8,002,600
	Total available after Authorized deducted	\$4,105,773
PROPOSED	Proposed Loan Project(s):	\$0
	Proposed Hardship Project(s):	\$0
	Subtotal:	\$0
AS OF:		
December 31, 2016	TOTAL REMAINING STATE LOAN FUNDS:	\$4,843,497
	TOTAL REMAINING STATE HARDSHIP FUNDS:	(\$737,724)

(see Page 2 for details)

(see Page 2 for details)

Total Balance of ALL Funds: \$4,105,773

Projected Receipts Next Twelve Months: and Sales Tax Revenue	
Annual Maximum Sales Tax Projection	\$3,587,500
Less State Match for 2017 Federal Grant	(\$2,000,000)
Less Appropriation to DDW	(\$400,000)
Less Wtr Use Study Appropriation	(\$250,000)
Less Administration Fees	(\$76,850)
SUBTOTAL Sales Tax Revenue including adjustments:	\$860,650
Payment:	
Interest on Investments (Both Loan and Hardship Accounts)	\$120,000
Principal payments	\$3,062,954
Interest payments	\$775,548
Total Projections:	\$4,819,152

Receive 80% in January

Total Estimated State SRF Funds Available through 12-31-2017	\$8,924,925
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**DIVISION OF DRINKING WATER
STATE LOAN FUNDS
PROJECTS AUTHORIZED BUT NOT YET CLOSED
AS OF December 31, 2016**

Community	Loan #	Cost Estimate	Date Authorized	Date Closed/Anticipated	Authorized Funding		
					Loan	Grant	Total
Sterling City 2.52% int, 20 yrs	3S239	300,000	May-16		258,000		258,000
Cedar Point/Big Plains 0%, 20yrs	3S240	176,000	Jul-16		88,000	88,000	176,000
Fillmore City 2.45%, 20 yrs (LOF)	3S242	2,552,000	Sep-15	Jan-17	2,152,000		2,152,000
North Fork SSD 2% int 20 yrs (LOF)	3S243	2,397,000	Mar-16		2,199,000		2,199,000
Eagle Mountain 1.4% int 20 yrs (LOF)		2,300,000	Nov-16		1,800,000		1,800,000
Subtotal Loans and Grants Authorized					6,497,000	88,000	6,585,000
PLANNING LOANS / GRANTS IN PROCESS							
Eagle Mountain	3S228P	30,000	Aug-15		30,000		30,000
LaVerkin City	3S223P	40,000	Jun-15	Jun-15		19,955	19,955
Parowan	3S227P	40,000	Jul-15	Sep-15		40,000	40,000
Springdale	3S214P	40,000	Jan-15	Mar-15		22,645	22,645
Weber County General	3S225P	40,000	Jun-15	Sep-15		20,000	20,000
Henrieville	3S241	345,000	Aug-16			345,000	345,000
					30,000	447,600	477,600
CLOSED LOANS (partially disbursed)							
Helper City 0% int 30 yrs	3S230	3,500,000	Jul-15	Oct-15	490,000	210,000	700,000
Daggett Co - Dutch John 0% int 30 yrs	3S216	1,020,000	Jan-15	Feb-16	0	240,000	240,000
							0
Subtotal Planning Loans/Grants Auth					490,000	450,000	940,000
Total authorized or closed but not yet funded					\$7,017,000	\$985,600	\$8,002,600
PROPOSED PROJECTS for JAN 2017							
					0	0	0
					0	0	0
					0	0	0
					0	0	0
Total Proposed Projects					0	0	0

**DIVISION OF DRINKING WATER
STATE LOAN FUNDS
AS OF December 31, 2016**

	5235	5240	
	Loan	Interest	
	Funds	(use for Grants)	Total
Cash:	\$11,860,497	\$247,876	\$12,108,373
Less:			
Loans & Grants authorized but not yet closed (schedule attached)	(6,527,000)	(535,600)	(7,062,600)
Loans & Grants closed but not fully disbursed (schedule attached)	(490,000)	(450,000)	(940,000)
Proposed loans & grants	0	0	0
Administrative quarterly charge for entire year	(76,850)		(76,850)
Appropriation to DDW	(400,000)		(400,000)
Appropriation to DDW - Wtr Use Study	(250,000)		(250,000)
FY 2017 Federal SRF 20% match of \$???	(2,000,000)		(2,000,000)
	2,116,647	(737,724)	1,378,923
Projected repayments during the next twelve months			
Thru 12-31-2017			
Principal	3,062,954		3,062,954
Interest		775,548	775,548
Projected annual investment earnings on invested cash balance		120,000	120,000
Sales Tax allocation thru Dec-31-2017	3,587,500		3,587,500
Total	\$8,767,101	\$157,824	\$8,924,925
* All interest is added to the Hardship Fee account.			

DIVISION OF DRINKING WATER
FEDERAL SRF
AS OF December 31, 2016

FIRST ROUND FUND		FEDERAL SECOND ROUND FUND		Hardship Fund
1997 thru 2016 SRF Grants		Principal Repayments	Earnings on Invested Cash Balance	Total:
Net Federal SRF Grants:	\$157,144,401	Principal (P):	\$45,480,865	\$1,168,679
Total State Matches:	\$35,108,900	Interest (I):	\$13,010,205	
Closed Loans:	-\$187,299,741	Total P & I:	\$58,491,070	
Total Grant Dollars:	\$4,953,560			\$1,705,939

SUMMARY		
	Total Federal State Revolving Fund:	\$64,613,309
	Total Federal Hardship Fund:	\$1,705,939
	Subtotal:	\$66,319,248
LESS AUTHORIZED & PARTIALLY DISBURSED	Less:	
	Authorized & Partially Disbursed Closed Loans:	\$38,655,375
	Authorized Federal Hardship:	\$1,953,312
	Subtotal:	\$40,608,687
PROPOSED	Proposed Federal Project(s):	-\$733,000
	Proposed Federal Hardship Project(s):	\$0
	Subtotal:	-\$733,000

(see Page 2 for details)

AS OF:	December 31, 2016	TOTAL REMAINING LOAN FUNDS:	\$26,690,934
		TOTAL REMAINING HARDSHIP FUNDS:	-\$247,373

Total Balance of ALL Funds after deducting proposed actions: \$26,443,561

Projected Receipts thru January 1, 2018	
2017 Fed SRF Grant	\$7,400,000
2017 State Match	\$2,000,000
Interest on Investments	\$655,200
Principal Payments	\$6,588,203
Interest	\$1,372,357
Hardship & Technical Assistance fees	\$334,403
Total:	\$18,350,163

} **Receive 60% in January**

Total Estimated Federal SRF Funds Available through: 01/01/2018 **\$44,793,724**

DIVISION OF DRINKING WATER FEDERAL STATE REVIVING FUND									
PROJECTS AUTHORIZED BUT NOT YET CLOSED AS OF December 31, 2016									
COMMUNITY	Project			Authorized Date	Closing Date Scheduled	Authorized From Loan Funds (1st or 2nd Round)			Hardship Fund
	Total Project	Terms	Loan #			Loan	Forgiveness	Total	
West Erda Improvement District	1,622,600	0% int, 30 yr	3F233	Nov-14	Jul-17	811,000	811,600	1,622,600	
Liberty Pipeline Company	699,000	2.83% 20 years (LOF \$6,990)	3F236	May-15		699,000		699,000	
Juab County	27,210,000	2.5% int/hgf, 30 yrs	3F259	Mar-16		21,210,000		21,210,000	
Corinne City	561,000	2.85% int/hgf, 20 yrs	3F266	May-16	Feb-17	442,000	113,500	555,500	
Springdale	5,654,000	1.25% int/hgf, 30 yrs	3F264	May-16	Apr-17	3,856,000	1,652,350	5,508,350	
Virgin Town	1,120,000	0% int, 30 yrs	3F272	Jul-16		1,120,000		1,120,000	
Irontown	474,000	0% int, 30 yrs	3F271	Jul-16		379,000	95,000	474,000	
Glen Canyon SSD #1/Big Water	1,288,000	2.45% int/hgf, 30 yrs	3F270	Jul-16		1,052,000	176,000	1,228,000	
San Juan Spanish Valley SSD	5,100,000	0% int, 30yrs (combined w/CIB)	3F275	Aug-16		1,785,000	765,000	2,550,000	
Winchester Hills	427,000	0% interest, 30 yrs	3F277	Sep-16		214,000	213,000	427,000	
Wales Town	253,000	0% int, 30 yrs	3F276	Aug-16	Dec-16	127,000	126,000	253,000	
Bridge Hollow Water Assoc	225,000	1.0% int, 30 yrs	3F280	Nov-16		158,000	67,000	225,000	
Lizard Bench	56,000	100% PF	3F278	Nov-16			28,000	28,000	
Hanksville Town	601,548	0% int, 30 yrs	3F279	Nov-16		421,000	180,548	601,548	
Cedar Point - Big Plains Wtr & Swr	83,000	0.0% 5 yrs \$42,000 PF Aquafer study	3F224P	May-14				0	83,000
Central Iron County WCD	100,000	0.0% 5 yrs \$50,000 PF Aquafer study	3F230	Nov-14				0	100,000
Greenwich Water Company	130,000	65K loan at 0%, 30 yrs/ 65K pf	3F258	Mar-16				0	65,000
Echo Mutual Wtr System	36,219	100% pf	3F267	May-16				0	35,857
TOTAL CONSTRUCTION AUTHORIZED:						\$ 32,274,000	\$ 4,227,998	\$ 36,501,998	\$ 283,857
COMMITTED PLANNING ADVANCES / AGREEMENTS or PARTIALLY DISBURSED CLOSED 2ND ROUND AGREEMENTS:									
					Date Closed				
								0	0
Rural Water Assn of Utah	124,758	5 yr contract for Development Specialist	Ongoing	Nov-12	Jan-13			0	179,508
Eureka	694,095	100% Principal Forgiveness	3F235	May-15	Jun-15			0	107,447
Orderville Town	40,000	pl 100% pf	3F241P	Sep-15	Dec-15			0	40,000
Bluffdale City	40,000	pl 100% pf	3F242P	Sep-15	Nov-15			0	40,000
Elsinore	45,000	pl 100% pf	3F243P	Nov-15	Jun-16			0	6,500
Greenwich Water Company	130,000	65K loan at 0%, 30 yrs/ 65K pf	3F258	Mar-16	Jun-16			0	65,000
Trenton Town	732,000	state grant w/731,000 loan	3S234	Nov-15	Aug-16			0	731,000
Water Use Study	1,000,000	Legislature Appropriated for FY 2017	n/a	Mar-16	Jul-16			0	500,000
Boulder Farmstead	35,000	100% principal forgiveness	3F274	Aug-16	Oct-16		10,000	10,000	
Forest Glen Plat A HOA	1,438,986	0% int, 30 yrs	3F222	Feb-14	Dec-14	114,000	55,986	169,986	
Kane Co WCD-Johnson	1,401,020	1.93% int, 30 yrs	3F165	Mar-11	Dec-11	144,000	38,000	182,000	
Taylor West Weber Water Improvement Dist	7,636,391	2.26% int, 30 yr	3F234	Feb-15	Apr-15	1,429,000	362,391	1,791,391	
TOTAL PLANNING AUTHORIZED:						\$1,687,000	\$466,377	\$2,153,377	\$1,669,455
TOTAL CONSTRUCTION & PLANNING:								\$38,655,375	\$1,953,312
AVAILABLE PROJECT FUNDS:								\$25,957,934	
AVAILABLE HARDSHIP FUNDS:								-\$247,373	
PROPOSED PROJECTS FOR JAN 2017:									
Wellington	1,063,000	2.2% int/hgf, 30 yrs	3F265	Apr-16	deauthorize	(851,000)	(212,000)	(1,063,000)	
Cedarview Montwell	330,000		3F282				330,000	330,000	
TOTAL PROPOSED PROJECTS FOR THIS MEETING:						-\$851,000	\$118,000	-\$733,000	\$0
*RWau hardship grant is being disbursed monthly									
TOTAL FUNDS AFTER PROPOSED PROJECTS ARE FUNDED:								\$26,690,934	
TOTAL FUNDS AFTER PROPOSED HS PROJECTS ARE FUNDED:								-\$247,373	
NOTES OF LOAN CLOSINGS SINCE LAST BOARD MEETING:									
								0	
Total Recent Loan Closings						\$0	\$0	\$0	\$0

DIVISION OF DRINKING WATER
FEDERAL SRF LOAN FUNDS
AS OF December 31, 2016

	Loan Funds 1st Round	Loan Payments			TOTAL
		2nd Round		Hardship Fund	
		Principal	Interest		
Federal Capitalization Grants and State 20% match thru 2015	\$192,253,301				
Earnings on Invested 1st Round Funds			1,168,679		
Repayments (including interest earnings on 2nd round receipts)		45,480,865	13,010,205	1,705,939	253,618,989
Less:					
Closed loans and grants	-187,299,741				-187,299,741
SUBTOTAL of Funds Available	\$4,953,560	\$45,480,865	\$14,178,884	\$1,705,939	\$66,319,248
Loans & Grants authorized but not yet closed or fully disbursed	-33,721,998	-4,467,000	-466,377	-1,953,312	-40,608,687
SUBTOTAL of Funds Available less Authorized	-\$28,768,438	\$41,013,865	\$13,712,507	-\$247,373	\$25,710,561
Future Estimates:					
Proposed Loans/Grants for current board package	733,000			0	733,000
SUBTOTAL of Funds Available less Proposed Loans & Grants	-\$28,035,438	\$41,013,865	\$13,712,507	-\$247,373	\$26,443,561
PROJECTIONS THRU January-2018					
	0				
2017 SRF Capitalization Grant (Loan Portion)	7,400,000				
2017 SRF Capitalization State Match	2,000,000				
Projected repayments & revenue during the next twelve months		6,588,203	1,372,357	334,403	8,294,963
Projected annual investment earnings on invested cash balance		600,000	36,000	19,200	655,200
TOTAL	-\$18,635,438	\$48,202,068	\$15,120,864	\$106,230	\$44,793,724

Agenda Item 5(B)

Project Priority List
Presented to the Drinking Water Board
January 13, 2017

**DRINKING WATER BOARD
PACKET FOR PROJECT PRIORITY LIST**

There is one new project being added to the Project Priority List:

Woodland Mutual is being added to the Project Priority List with 28.9 points. Their project consists of spring redevelopment, new tank, distribution and transmission lines.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board approve the updated Project Priority List.

December 1, 2016

Utah Federal SRF Program

Project Priority List

Total Unmet Needs:

\$254,049,761

Total Needs, incl. Recent funding

\$266,850,653

N	date	type	%Green	Priority Points	System Name	County	Pop.	ProjectTitle	Project Total	Request DWB
N				43.5	Wellington City	Carbon	1,676	New 750,000-gallon Storage Tank	\$1,006,167.00	1,006,167
N				28.9	Woodland Mutual	Summit	186	Spring redevelopment, new tank, water lines	\$2,940,000.00	2,915,000
N				27	Bridge Hollow	Summit	45	New Well	\$121,212.00	121,212
N				22.8	Old Meadows	Iron	41	Replace Distribution System	\$338,747	413,292
N				8.1	Thatcher Penrose SD	Box Elder	580	Water line replacement	\$129,400	110,000
A				90.5	North Fork SSD	Utah	1,500	New tank and well	\$2,408,354	2,210,350
A				82.6	West Erda	Tooele	158	Connect West Erda and Tooele Airport to Erda Acres	\$1,801,331.00	1,801,331
A				72.3	Springdale	Washington	572	Treatment Plant	\$4,730,000	4,600,000
A				43.3	Old Irontown POA	Iron	90	New 300,000-gallon tank and transmission line	\$478,788	478,788
A				41.4	Virgin Town	Washington	750	New 500,000-gallon tank and transmission line	\$1,131,313	1,131,313
A				35.7	Boulder Farmstead	Garfield	226	Repair roads from 2015 water line project	\$35,354	35,354
A				32.2	Fairfiled Culinary Water System	Utah	35	New well, pump station, tank	\$1,130,000	565,000
A				28.7	Lizard Bench	Sevier	63	Water line, well house upgrades, chlorination, tank liner	\$56,000.00	28,000
A				26.3	Hanksville	Wayne	219	Water Line: new and replacement, meters	\$602,574.00	602,574
A				25.5	Fillmore City	Millard	2,260	Water Line Replacement	\$2,555,556	2,555,556
A				25.3	San Juan Spanish Valley SSD	San Juan	491	New System: tank, well, distribution	\$5,125,758	2,575,758
A				22.5	White Hills Water	Utah	419	Water line replacement, tank rehab, new PRV	\$1,047,168	1,047,168
A				21.6	Wooden Shoe	Summit	47	Replace Distribution System	\$413,292	413,292
N				20.6	Corinne City	Box Elder	700	Radium Filter, Spring Rehab, Transmission Line	\$561,111.00	561,111
A				18.5	Big Water Town	Kane	480	Refurbish Tank, radio read meters, distribution line	\$1,287,185	413,292
A				18.3	Greenwich	Piute	67		\$131,300	131,300
A				11.4	Eagle Mountain	Utah	25,593	New water line and pump station	\$3,395,763	2,895,763
A				9.7	Juab Co	Juab	???	Regionalization pipeline	\$24,000,000	21,000,000
A				7.9	Echo Mutual Water System	Summit	50	Radium Filter, Spring Rehab, Transmission Line	\$35,857.00	35,857
A				4.8	Liberty Pipeline Company	Weber	2,504	New Well	\$743,954	\$698,647

N = New Application

A = Authorized

P = Potential Project- no application

E= Energy Efficiency

W= Water Efficiency

G= Green Infrastructure

I= Environmentally Innovative

GREEN PROJECTS

December 1, 2016

Utah Federal SRF Program

Project Priority List

Priority Points

Total Unmet Needs:

\$254,049,761

Total Needs, incl. Recent funding

\$266,850,653

	date	type	%Green	System Name	County	Pop.	ProjectTitle	Project Total	Request DWB
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EMERGENCY FUNDING

N			100	Trenton Town	Cache	466	Spring Re-development	\$401,150.00	\$241,150
N			100	Marble Hills	Box Elder	250	Pump replacement	\$152,167.00	\$28,170

POTENTIAL PROJECTS

P			125.2	Soldier Summit SSD-2nd home sub	Utah	33	Water line upgrade	\$530,303	\$530,303
P			36.4	Santa Clara (on hold)	Washington	8,000	Water line upgrades	\$6,419,202	\$6,354,202
P			35.0	CUWCD-Utah Valley	Utah		Treatment plant upgrades	\$39,369,500	\$36,950,000
P			24.4	Jordan Valley WCD	Salt Lake	82,500	Treatment	\$3,200,000	
P			20.0	Pinon Forest	Duchesne	n/a	New system- residents haul water	\$21,247,000	
P			17.9	Wendover	Tooele	1,600	Water line upgrades	\$833,000	
P			17.5	Draper City	Salt Lake	15,000	Storage and distribution upgrades	\$35,789,000	
P			17.1	East Zion SSD	Kane	49	Water line	\$128,876	\$128,876
P			16.4	Eastland SSD	San Juan	60	New well for back up purposes	\$500,000	
P			16.4	Neola	Duchesne	840	Waterline upgrades, storage, source improvements	\$3,607,592	\$3,607,592
P			15.3	Newton Town	Cache	799	Spring rehabilitation, water line upgrades	\$1,581,500	
P			15.3	South Rim Water	Tooele	264	Well equipment and house, new tank	\$600,000	
P			15.2	Midvalley Estates Water Company	Iron	700	Source, storage, distribution	\$500,000	
P			15.1	Syracuse	Davis	25,200	Water line upgrades	\$1,589,756	\$1,589,756
P			14.7	Central Waterworks Co.	Sevier	450	Storage and distribution upgrades	\$1,400,000	
P			14.0	Herriman	Salt Lake	18,431	Booster Pump, water line	\$2,050,000	
P			13.7	Cornish Town	Cache	300	Connect to Lewiston, rehab well	\$1,226,263	
P			13.7	Morgan City	Morgan	3,250	Water line upgrades	\$692,026	
P			13.5	Riverdale	Weber	8,200	New well and tank, water line upgrades	\$2,050,000	
P			13.3	Richfield City	Sevier	7,111	System repairs	\$2,722,000	
P			13.0	Uintah City	Weber	1,300	Treatment	\$1,063,000	
P			12.8	Centerfield	Sanpete	1,200	New tank, upgrade water lines	\$3,600,000	
P			12.6	Enterprise	Washington	1,500	New tank, upgrade water lines	\$1,917,100	
P			12.6	Price River	Carbon	7,659	New tank, water lines, treatment	\$2,750,000	
P			11.6	Manila Culinary Water Co.	Utah	2,450	Treatment and water line upgrades	\$700,000	
P			11.6	Jordan Valley WCD	Salt Lake	82,500	Flouride facility, well equipping	\$3,694,000	\$2,000,000
P			11.4	Pineview West Water Company	Weber	115	Telemetry system	\$25,000	
P			11.4	North Ogden City	Weber	15,000	Water line upgrades	\$746,000	\$746,000

December 1, 2016

Utah Federal SRF Program

Project Priority List

Total Unmet Needs:

\$254,049,761

Total Needs, incl. Recent funding

\$266,850,653

	date	type	%Green	Priority Points	System Name	County	Pop.	ProjectTitle	Project Total	Request DWB
					P				11.3	Farmington
P				10.7	Ogden City	Weber	77,000	Source rehabilitation, treatment plant upgrades	\$26,500,000	
P				10.7	High Valley Water Company	Summit	850	Water line upgrades	\$1,000,000	
P				10.3	City of Monticello	San Juan	2,000	Storage and distribution upgrades	\$1,200,000	
P				9.8	Gorgoza	Summit	4,200	Waterline upgrades	\$1,000,000	
P				9.7	Moutain Regional SSD	Summit	6,700	Transmission line	\$600,000	
P				9.7	Benson Culinary Water District	Cache	743	New tank, water line replacement	\$500,000	
P				9.3	Mapleton City	Utah	7,300	Replace distribution lines	\$15,339,560	
P				9.2	Greendale Water Co.	Daggett	500	Treatment system	\$800,000	
P				9.1	Center Creek	Wasatch	200	Pump house and pump	\$80,000	
P				8.4	Nibley City	Cache	4,300	New tank	\$1,270,355	
P				8.3	Hurricane	Washington	8,000	Water line replacement and new tank	\$5,047,899	
P				7.6	Harmony Farms Water User Assoc.	Washington	300	Water line Replacement	\$3,000	
P				6.8	Hooper Water Improvement District	Weber	16,520	Storage, water lines, treatment	\$2,887,000	
P				6.7	Centerville City	Davis	16,000	Replacement well, water line upgrades	\$2,965,000	
P				6.1	Marble Hill Water Company	Box Elder	250	New storage tank	\$225,000	
P				4.5	Peterson Pipeline Association	Morgan	450	Source, storage, distribution	\$1,700,000	
P				4.5	Perry City	Box Elder	4,603	Source, storage, distribution	\$4,782,220	
P				3.9	Wolf Creek Country Club	Weber	2,000	Water line	\$180,000	
P				3.4	Highland City	Utah	15,066	New well houses	\$650,000	

Agenda Item

5(C)(ii)(a)

Wellington City
Presented to the Drinking Water Board
January 13, 2017

**DRINKING WATER BOARD
PACKET FOR PROJECT PRIORITY LIST
INTRODUCTION TO THE FINANCIAL ASSISTANCE COMMITTEE**

Staff Comments:

Wellington City was authorized for a loan of \$1,063,000 with \$212,000 in principal forgiveness on April 25, 2016. Staff has spoken with the Mayor of Wellington and they are seeking funds from another agency. Therefore funds from the Drinking Water Board are not needed at this time.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board De-authorize the Wellington City project.

Agenda Item

5(C)(ii)(b)

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION LOAN**

APPLICANT'S REQUEST:

On May 8, 2015, the Board authorized Liberty Pipeline Company a loan of \$699,000 with an interest rate of 2.83% for 20 years to construct a new 8-inch well and well house. The system has requested that this funding be deauthorize. A letter from the Vice President is attached.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board deauthorize the \$699,000 construction loan to Liberty Pipeline with a 2.83% for 20 years.



Liberty Pipeline Company



3707 North 3500 East
Liberty, Utah 84310
801-389-1951
mike@rhodeslane.net

12 December 2016

Rich Peterson
Division of Drinking Water he
PO Box 144830
Salt Lake City, Utah 84114-4830

Dear Mr. Peterson,

Liberty Pipeline Company would like very much to use the State/Federal Revolving Fund loan that was approved. However, the requirements, terms, and conditions detailed in Loan Agreement, Deed of Trust and Security Agreement (Real Property), Deed of Trust and Security Agreement (Water Rights), Assignment of Rights Under Construction Contract, Assignment of Plans and Specifications and Rights Under Engineering Contract, Security Agreement, and Certificate of Authorized Signatures were just too much for a volunteer board of five directors, a bookkeeper, a systems operator, and a meter reader. We simply could not guarantee that we had the time and capability to do all the monitoring, reporting, funds management, and administrative tasks demanded after we signed.

You may deauthorize the SRF moneys previously approved for Liberty Pipeline Company. Sorry you could not help us. Our system sorely needs an additional source of water in the northern portion of the service area.

Pen Hollist
Vice President
Liberty Pipeline Company

Agenda Item

5(C)(ii)(c)

**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION LOAN**

APPLICANT’S REQUEST:

Cedarview-Montwell Special Service District (CMSSD) is requesting \$330,000 in financial assistance to obtain numerous easements on Native American land. These easements are necessary for CMSSD to provide connections to those in the Neola north service area which could add up to 137 new connections to the system and as many as 450 connections when the entire service area is connected.

STAFF COMMENTS:

On July 17, 2012 the Drinking Water Board (DWB) authorized funding to CMSSD for the construction a new water system. The resulting DWB loan amount was \$2,128,000 at 2.43% for 30 years with a graduated repayment schedule. The loan was closed on December 5, 2013 and the first phase of the project is now essentially complete

The local MAGI for CMSSD is \$50,223 (116% of the State MAGI) and the estimated monthly water bill is currently \$125.38 (3% of the local MAGI) which makes them eligible for subsidy. Current water system income consists of revenue from monthly water bills, connection fees, grants and property taxes. By obtaining these easements all at one time, it is expected to expedite the addition of new connections in the future and reduce costs.

Staff is recommending that the Board authorize the refinance of CMSSD’s existing loan balance (\$2,119,000) with a 28 year term (the remaining term on the 2013 bond) and include the requested \$330,000 for the project and \$25,000 for legal/bonding costs associated with the refinance. Staff is recommending a rate of 1.38% which was calculated to keep the loan repayments equivalent to the existing 2013 bond.

Option	Grant/PF	Loan	2017 Water Bill at start of graduated payments	% MAGI w/graduated payments
1		\$2,474,000 (1.38%, 28 yrs) ¹	\$218.76	5.23%
2	\$330,000	0	\$218.76	5.23%
3		\$330,000 (0%, 28 yrs)	\$237.90	5.68%

¹ Net effective \$355,000 grant. This option includes refinancing the balance of the 2013 bond (\$2,119,000 at 2.43%), \$330,000 for acquisition of easements and \$25,000 towards loan origination fee, legal and bonding costs.

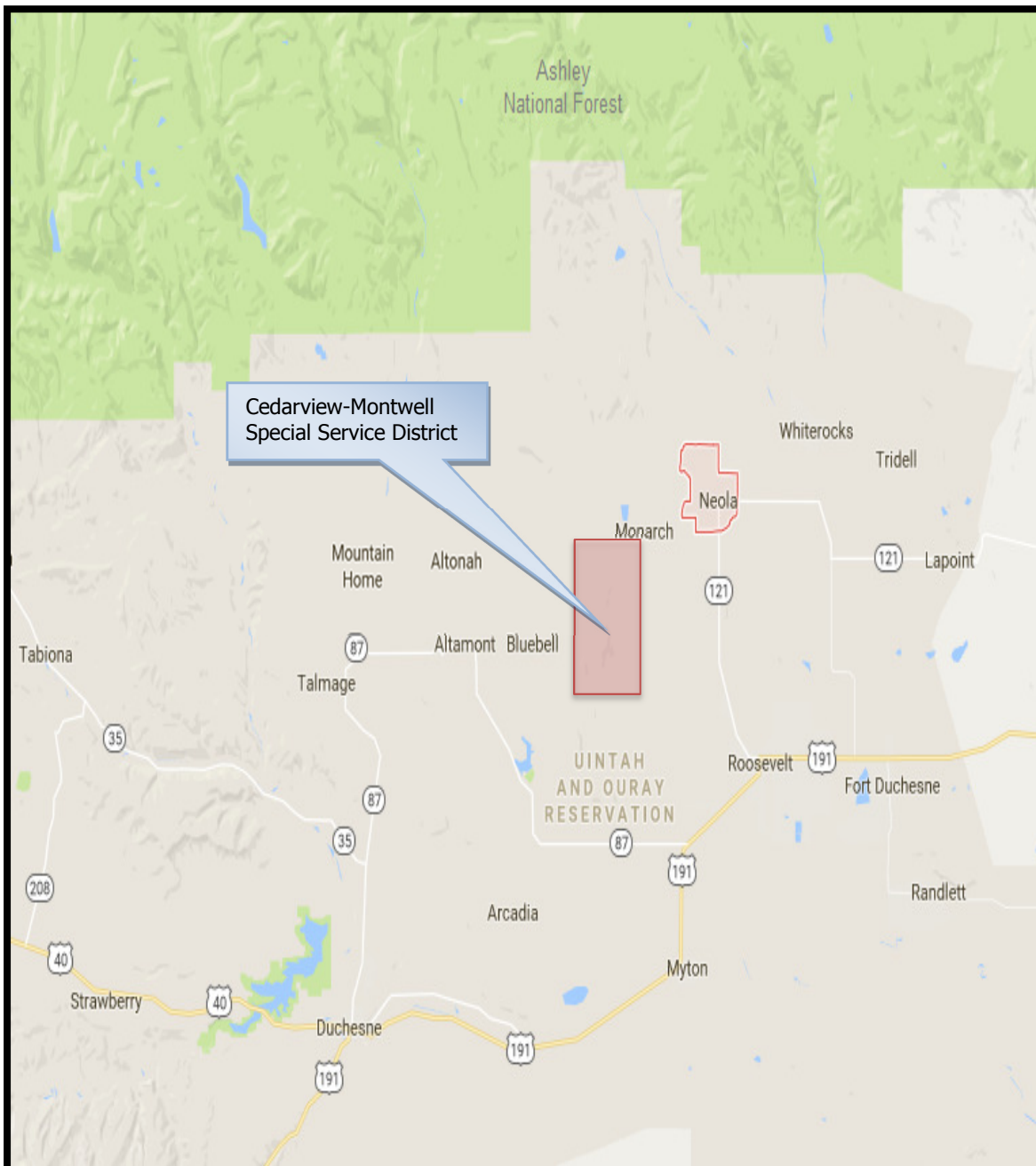
FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Financial Assistance Committee recommends that the Drinking Water Board authorize the refinance of CMSSD’s existing loan balance (\$2,119,000) with a 28 year term (the remaining term on the 2013 bond) and include the requested \$330,000 for the project and \$25,000 for legal/bonding costs associated with the refinance and no loan origination fee and the option of a graduated repayment schedule to repay the existing 2013 Drinking Water bond and fund the acquisition of new easements and begin preliminary design for additional connections.

APPLICANT'S LOCATION:

Cedarview-Montwell Special Service District is located in Duchesne County between Roosevelt City and Neola.

MAP OF APPLICANT'S LOCATION:



PROJECT BACKGROUND:

The Drinking Water Board authorized funding to CMSSD on July 17, 2012 for the construction of a new water system. This project is the first phase of a multi-phase project to connect up to 450 residences in the area north west of Roosevelt and the area surrounding the Neola Water and Sewer Improvement District. This first phase of the project included the installation of nearly 100,000 linear feet of waterline and the construction of two storage tanks. The approved funding package was for \$2,666,000 which consisted of a \$2,128,000 loan at 2.43% with a term of 30 years with a graduated repayment schedule and principal forgiveness of \$538,000. The loan for this project was closed on December 5, 2013 and this phase of the project is now essentially complete.

CMSSD currently has 59 connections which is significantly less than the 100 connections which were initially anticipated. During construction, there were difficulties with the performance of the contractor which hampered progress and ultimately resulted in far fewer connections. CMSSD and the contractor have since settled litigation and CMSSD continues to diligently work towards increasing the number of active connections. The next phase of the project is to provide service to the North Neola area which should result in at least another 137 connections and eventually 450 connections when the entire service area is connected.

The North Neola phase has the highest population density in the remainder of the service area and will provide water efficiently to many of the homes currently on private wells. However, the CMSSD service area includes many parcels of Native American land which are situated throughout the service area (see Diagram 1). Access to the North Neola area will require numerous crossings of Native American land and the process of obtaining easements across Native American land routinely takes three to four years and will require extensive negotiation and collaboration with the Ute Tribe and the United States Department of the Interior, Bureau of Indian Affairs (BIA).

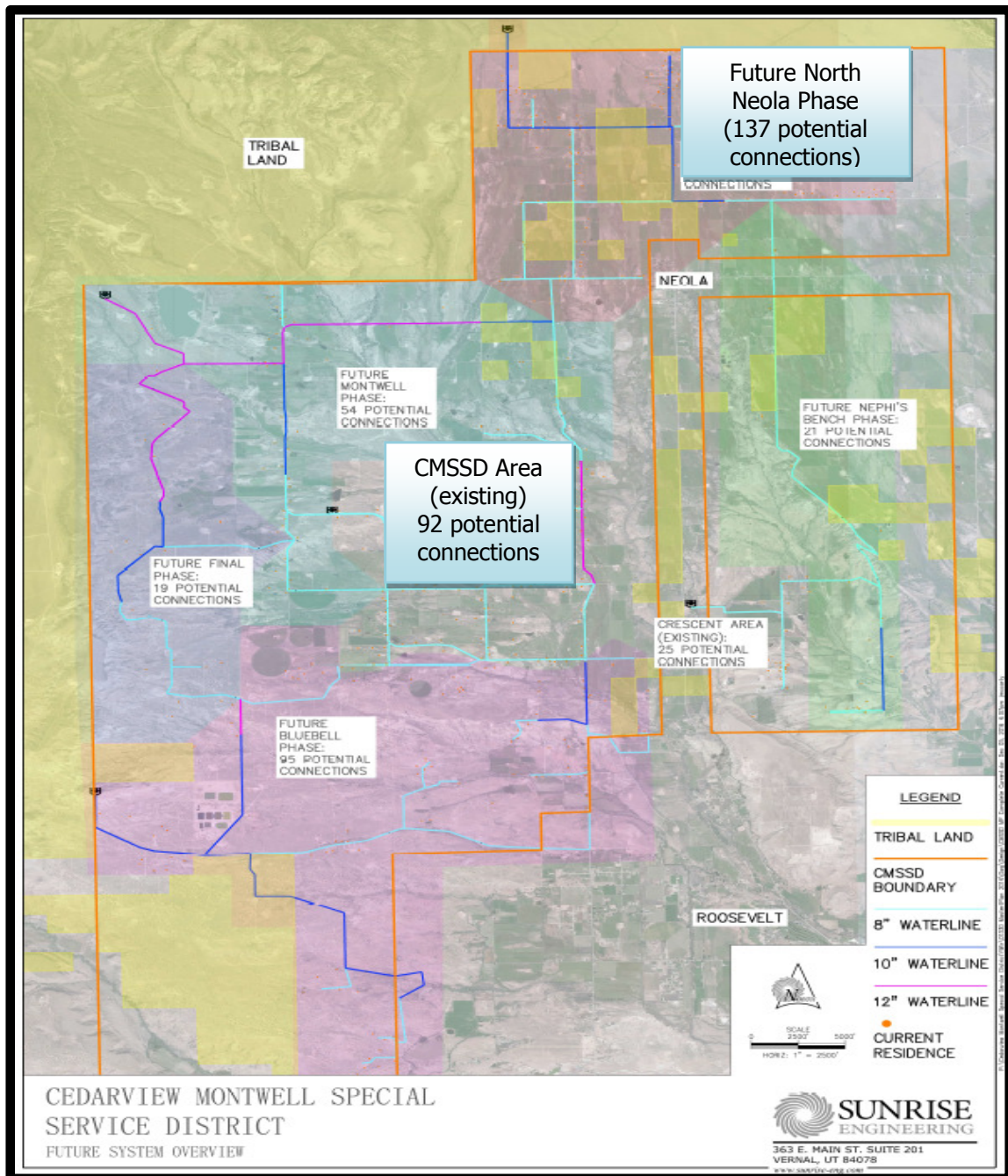
The BIA process requires full NEPA for easements on Native American land and the development of an agreement between CMSSD and the Ute Tribe. This process also requires a survey and yellow book appraisals of each parcel. If the necessary individual easements were to be obtained on an individual as-needed basis, this process would need to be replicated many times over and would delay access to these critical connections for years. CMSSD is therefore seeking to obtain all the necessary tribal easements at one time in order to significantly reduce cost and minimize future delays. There have also been issues of water quality in the wells located at tribal homes in the North Neola area and the Ute Tribe is motivated to address these concerns.

These connections in the North Neola area are critical for CMSSD to improve their cash flow position, and without them they will need to significantly raise water bills on existing connections to a rate well above what the Drinking Water Board has historically considered affordable (1.75% of MAGI). The existing 2013 bond, even with a graduated repayment schedule, has a required monthly water bill of \$218.76 which is 5.23% of the local MAGI. Any additional debt would burden an already financially burdened system.

PROJECT DESCRIPTION:

CMSSD will acquire the necessary easements to provide water service to the remaining unconnected residences in the service area. Should there be any remaining funds available after the easements are obtained; CMSSD will fund preliminary engineering design for these additional connections.

Diagram 1



POPULATION GROWTH:

According to the State of Utah Governor’s Office of Management & Budget, the anticipated growth rate for Duchesne County is approximately 0.8% per year over the next 30 years.

	<u>Year</u>	<u>County Population</u>	<u>CMSSD Service Area Population</u>	<u>CMMSD Connections</u>
Current:	2016	21,035	1,750	59
Projected:	2045	26,413	2,205	450

IMPLEMENTATION SCHEDULE:

Apply to DWB for Funds:	November 2016
DWB Funding Authorization:	January 2017
DWB Loan Closing	April 2017
Completion of Work	January 2020

COST ESTIMATE:

Easement Acquisition Related Costs

Rights of Way & Easements	\$ 39,000
Federal Appraisal of Tribal Lands	\$ 105,000
Bureau of Indian Affairs and Tribal Coordination	\$ 30,000
Environmental Clearances	\$ 52,000
Tribal Negotiation and Agreement	\$ 26,000
Tribal/BIA Process Contingency	\$ 43,000
Engineering Planning	\$ 35,000
Legal/Bonding	\$ 25,000
Refinance 2013 Bond	\$ 2,119,000
Total	\$ 2,474,000

COST ALLOCATION:

The cost allocation proposed for the project is shown below.

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
DWB	\$355,000	100%

APPLICANT: Cedarview-Montwell Special Service District
270 North 500 West
Roosevelt, UT 84066
435-823-4578

PRESIDING OFFICIAL &
CONTACT PERSON: Susan Lemon, Office Manager
270 North 500 West
Roosevelt, UT 84066
435-823-4578
cmsd@stratanet.com

TREASURER/RECORDER: Susan Lemon, Office Manager
270 North 500 West
Roosevelt, UT 84066
435-823-4578
cmsd@stratanet.com

CONSULTING ENGINEER: Aaron Averett, P.E.
Sunrise Engineering
363 East Main Street, Suite 201
Vernal, UT 84078
801-367-9251
aaverett@sunrise-eng.com

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Cedarview-Montwell Special Service District
 COUNTY: Duchesne
 PROJECT DESCRIPTION: Acquisition of Easements on Tribal Property

FUNDING SOURCE: Federal SRF

0 % Loan & 100 % P.F.

ESTIMATED POPULATION:	1,750	NO. OF CONNECTIONS:	59 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$112.78 *	FINANCIAL PTS:	39	PROJECT TOTAL:	\$330,000
CURRENT % OF AGI:	2.69%			LOAN AMOUNT:	\$330,000
ESTIMATED MEDIAN AGI:	\$50,223			PRINC. FORGIVE.:	\$0
STATE AGI:	\$43,196			TOTAL REQUEST:	\$330,000
SYSTEM % OF STATE AGI:	116%				

	@ ZERO % RATE	@ RBBI MKT RATE	Full Grant RATE	REFINANCE 2013 BOND PLUS \$355,000 \$2,474,000 TOTAL
SYSTEM	0%	3.44%	0%	1.38%
ASSUMED LENGTH OF DEBT, YRS:	28	28	28	28
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.44%	0.00%	1.38%
REQUIRED DEBT SERVICE:	\$11,785.71	\$18,546.04	\$0.00	\$60,272.80
*PARTIAL COVERAGE (15%):	\$1,767.86	\$2,781.91	\$0.00	\$16,068.78
*ADD. COVERAGE AND RESERVE (10%):	\$0.00	\$0.00	\$0.00	\$0.00
ANNUAL NEW DEBT PER CONNECTION:	\$229.72	\$361.49	\$0.00	\$1,293.93
O & M + FUNDED DEPRECIATION:	\$75,000.00	\$75,000.00	\$75,000.00	\$75,000.00
OTHER DEBT + COVERAGE:	\$76,342.00	\$76,342.00	\$76,342.00	\$0.00
REPLACEMENT RESERVE ACCOUNT ¹ :	\$0.00	\$0.00	\$0.00	\$0.00
ANNUAL EXPENSES PER CONNECTION:	\$2,565.12	\$2,565.12	\$2,565.12	\$1,271.19
TOTAL SYSTEM EXPENSES	\$164,895.57	\$172,669.95	\$151,342.00	\$151,341.58
TAX REVENUE:	\$136,000.00	\$136,000.00	\$136,000.00	\$136,000.00
RESIDENCE				
MONTHLY NEEDED WATER BILL:	\$237.90	\$248.88	\$218.76	\$218.76
% OF ADJUSTED GROSS INCOME:	5.68%	5.95%	5.23%	5.23%

¹ 2013 bond has a graduated repayment. Showing payment due for 2017

* Equivalent Residential Connections

Cedarview-Montwell Special Service District

PROPOSED BOND REPAYMENT SCHEDULE

100 % Loan \$355,000, Refinance 2013 Bond (\$2,119,000)

PRINCIPAL	\$2,474,000.00	ANTICIPATED CLOSING DATE	01-Mar-17
INTEREST	1.38%	FIRST P&I PAYMENT DUE	01-Jun-17
TERM	28	REVENUE BOND	
NOMIN. PAYMENT	Graduated	PRINC. FORGIVE.:	\$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2017	\$2,474,000	01-Jun-17	\$60,273	\$26,132	\$34,141	\$2,447,868	1
2018	\$2,447,868	01-Jun-18	\$60,055	\$26,274	\$33,781	\$2,421,594	2
2019	\$2,421,594	01-Jun-19	\$75,836	\$42,418	\$33,418	\$2,379,176	3
2020	\$2,379,176	01-Jun-20	\$75,228	\$42,395	\$32,833	\$2,336,781	4
2021	\$2,336,781	01-Jun-21	\$75,621	\$43,373	\$32,248	\$2,293,408	5
2022	\$2,293,408	01-Jun-22	\$75,989	\$44,340	\$31,649	\$2,249,068	6
2023	\$2,249,068	01-Jun-23	\$99,333	\$68,296	\$31,037	\$2,180,772	7
2024	\$2,180,772	01-Jun-24	\$100,094	\$69,999	\$30,095	\$2,110,773	8
2025	\$2,110,773	01-Jun-25	\$100,806	\$71,677	\$29,129	\$2,039,096	9
2026	\$2,039,096	01-Jun-26	\$100,469	\$72,329	\$28,140	\$1,966,767	10
2027	\$1,966,767	01-Jun-27	\$100,108	\$72,967	\$27,141	\$1,893,800	11
2028	\$1,893,800	01-Jun-28	\$100,723	\$74,589	\$26,134	\$1,819,211	12
2029	\$1,819,211	01-Jun-29	\$100,289	\$75,184	\$25,105	\$1,744,027	13
2030	\$1,744,027	01-Jun-30	\$99,832	\$75,764	\$24,068	\$1,668,263	14
2031	\$1,668,263	01-Jun-31	\$99,349	\$76,327	\$23,022	\$1,591,936	15
2032	\$1,591,936	01-Jun-32	\$99,843	\$77,874	\$21,969	\$1,514,062	16
2033	\$1,514,062	01-Jun-33	\$100,287	\$79,393	\$20,894	\$1,434,669	17
2034	\$1,434,669	01-Jun-34	\$99,683	\$79,885	\$19,798	\$1,354,784	18
2035	\$1,354,784	01-Jun-35	\$99,055	\$80,359	\$18,696	\$1,274,425	19
2036	\$1,274,425	01-Jun-36	\$147,403	\$129,816	\$17,587	\$1,144,609	20
2037	\$1,144,609	01-Jun-37	\$147,536	\$131,740	\$15,796	\$1,012,869	21
2038	\$1,012,869	01-Jun-38	\$148,596	\$134,618	\$13,978	\$878,251	22
2039	\$878,251	01-Jun-39	\$149,558	\$137,438	\$12,120	\$740,813	23
2040	\$740,813	01-Jun-40	\$150,423	\$140,200	\$10,223	\$600,613	24
2041	\$600,613	01-Jun-41	\$151,191	\$142,903	\$8,288	\$457,710	25
2042	\$457,710	01-Jun-42	\$155,862	\$149,546	\$6,316	\$308,164	26
2043	\$308,164	01-Jun-43	\$156,339	\$152,086	\$4,253	\$156,078	27
2044	\$156,078	01-Jun-44	\$158,232	\$156,078	\$2,154	\$0	28
			----- \$3,088,013	----- \$2,474,000	----- \$614,013		

Cedarview-Montwell Special Service District

Existing 2013 Bond

DWB Loan Terms

Local Share (total):	\$ -
Other Agency Funding:	\$ -
DWB Grant Amount:	\$ 532,000
DWB Loan Amount:	\$ 2,128,000
DWB Loan Term:	30
DWB Loan Interest:	2.43%
DWB Loan Payment:	\$ 100,724

DW Expenses (Estimated)

Proposed Facility Capital Cost:	\$ -
Existing Facility O&M Expense:	\$ 75,000
Proposed Facility O&M Expense:	\$ 75,000
O&M Inflation Factor:	1.0%
Existing Debt Service:	\$ -

DW Revenue Sources (Projected)

Existing Customers (ERC):	59
Projected Growth Rate (0.8%):	0.4%
2015 MAGI	\$ 50,223
Impact Fee/Connection Fee:	\$ 5,600
Estimated Taxable Residences	300
Property Tax Revenue	\$ 136,000
Revenue from Water Bill	\$ 49,560
Monthly Water Payment from Property Tax	\$ 37.78
Monthly Water Bill	\$ 70.00
Irrigation Water Bill	\$ 5.00
Current Monthly User Charge:	\$ 112.78

DW Revenue Projections

Year	Annual Growth (ERC)	Total Users (ERC)	User Charge Revenue	Impact Fee Revenue	Property Tax Revenue	Total Revenue	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	O&M Expenses	Total Expenses	Debt Service Ratio	Monthly Water Bill as % of MAGI
2014	0	0	0	-	-	-	51,710	-	2,128,000	-	51,710	-	51,710	-	-
2015	11	11	14,887	61,600	138,734	76,487	60,710	-	2,128,000	9,000	51,710	75,000	135,710	2.96	4.84%
2016	48	59	79,847	268,800	136,000	484,647	60,492	-	2,119,000	9,000	51,492	75,000	135,492	2.44	4.98%
2017	0	59	79,847	-	137,360	217,207	60,273	16,069	2,110,000	9,000	51,273	75,000	151,342	2.36	5.23%
2018	5	64	86,613	28,000	138,734	253,347	60,054	16,069	2,101,000	9,000	51,054	75,750	151,873	2.96	4.84%
2019	5	69	93,380	28,000	140,121	261,501	75,836	16,069	2,092,000	25,000	50,836	76,508	168,412	2.44	4.98%
2020	5	74	100,147	28,000	141,522	269,669	75,228	16,069	2,067,000	25,000	50,228	77,273	168,570	2.56	4.66%
2021	5	79	106,913	28,000	142,937	277,851	75,621	16,069	2,042,000	26,000	49,621	78,045	169,735	2.64	4.40%
2022	5	84	113,680	28,000	144,367	286,047	75,989	16,069	2,016,000	27,000	48,989	78,826	170,884	2.73	4.17%
2023	5	89	120,447	28,000	145,810	294,257	99,333	16,069	1,989,000	51,000	48,333	79,614	195,016	2.16	4.48%
2024	5	94	127,213	28,000	147,269	302,482	100,093	16,069	1,938,000	53,000	47,093	80,410	196,573	2.22	4.28%
2025	5	99	133,980	28,000	148,741	310,721	100,806	16,069	1,885,000	55,000	45,806	81,214	198,089	2.28	4.10%
2026	5	104	140,747	28,000	150,229	318,975	100,469	16,069	1,830,000	56,000	44,469	82,026	198,564	2.36	3.92%
2027	5	109	147,513	28,000	151,731	327,244	100,108	16,069	1,774,000	57,000	43,108	82,847	182,955	2.44	3.46%
2028	5	114	154,280	28,000	153,248	335,528	100,723	16,069	1,717,000	59,000	41,723	83,675	184,398	2.50	3.34%
2029	5	119	161,047	28,000	154,781	343,827	100,289	16,069	1,658,000	60,000	40,289	84,512	184,801	2.59	3.21%
2030	5	124	167,813	28,000	156,328	352,142	99,831	16,069	1,598,000	61,000	38,831	85,357	185,188	2.67	3.09%
2031	5	129	174,580	28,000	157,892	360,472	99,349	16,069	1,537,000	62,000	37,349	86,211	185,560	2.76	2.98%
2032	5	134	181,347	28,000	159,471	368,817	99,843	16,069	1,475,000	64,000	35,843	87,073	186,915	2.82	2.90%
2033	5	139	188,113	28,000	161,065	377,179	100,287	16,069	1,411,000	66,000	34,287	87,943	188,231	2.88	2.82%
2034	5	144	194,880	28,000	162,676	385,556	99,684	16,069	1,345,000	67,000	32,684	88,823	188,506	2.98	2.73%
2035	5	149	201,647	28,000	164,303	393,949	99,055	16,069	1,278,000	68,000	31,055	89,711	188,766	3.07	2.64%
2036	5	154	208,413	28,000	165,946	402,359	147,403	16,069	1,210,000	118,000	29,403	90,608	238,011	2.11	3.20%
2037	5	159	215,180	28,000	167,605	410,785	147,536	16,069	1,092,000	121,000	26,536	91,514	239,050	2.16	3.11%
2038	5	164	221,947	28,000	169,281	419,228	148,595	16,069	971,000	125,000	23,595	92,429	241,025	2.20	3.05%
2039	5	169	228,713	28,000	170,974	427,688	149,558	16,069	846,000	129,000	20,558	93,354	242,911	2.24	2.98%
2040	5	174	235,480	28,000	172,684	436,164	150,423	16,069	717,000	133,000	17,423	94,287	244,710	2.27	2.92%
2041	5	179	242,247	28,000	174,411	444,657	151,191	16,069	584,000	137,000	14,191	95,230	246,421	2.31	2.86%
2042	5	184	249,013	28,000	176,155	453,168	155,862	16,069	447,000	145,000	10,862	96,182	252,044	2.29	2.85%
2043	5	269	364,047	28,000	177,916	569,963	156,339	16,069	302,000	149,000	7,339	97,144	253,483	3.02	2.00%
2044	5	279	377,580	28,000	179,696	585,276	156,718	16,069	153,000	153,000	3,718	98,116	254,834	3.11	1.94%
Total Paid in Debt Service =									3,259,408		2,128,000		1,131,408		

Cedarview-Montwell Special Service District

Refinance \$355,000 Into Existing Loan

DWB Loan Terms	
Local Share (total):	\$ -
Other Agency Funding:	\$ -
DWB Grant Amount:	\$ -
DWB Loan Amount:	\$ 2,474,000
DWB Loan Term:	28
DWB Loan Interest:	1.38%
DWB Loan Payment:	\$ 107,125

DW Expenses (Estimated)	
Proposed Facility Capital Cost:	\$ 330,000
Existing Facility O&M Expense:	\$ 75,000
Proposed Facility O&M Expense:	\$ 75,000
O&M Inflation Factor:	1.0%
Existing Debt Service:	\$ 75,000

DW Revenue Sources (Projected)	
Beginning Cash:	\$ -
Existing Customers (ERC):	59
Projected Growth Rate (0.8%):	0.4%
2015 MAGI	\$50,223
Impact Fee/Connection Fee:	\$ 5,600
Current Monthly User Charge:	\$ 112.78
Needed Average Monthly User Charge:	\$ 310.38
Annual Revenue from Property Taxes	\$ 136,000

DW Revenue Projections

Yr	Annual Growth (ERC)	Total Users (ERC)	User Charge Revenue	Impact Fee Revenue	Property Tax Revenue	Total Revenue	DWB Loan Repayment	DWB Loan Reserves	Remaining Principal	Principal Payment	Interest Payment	O&M Expenses	Total Expenses	Debt Service Ratio	Monthly Water Bill as % of MAGI
2014	0	0	0	63,000	136,000	199,000	51,710	-	2,128,000	-	51,710	-	60,710	-	-
2015	11	11	14,887	63,000	136,000	213,887	60,710	-	2,128,000	9,000	51,710	-	60,710	-	-
2016	48	59	79,847	63,000	136,000	278,847	60,492	-	2,119,000	9,000	51,492	-	60,492	-	-
2017	0	59	79,847	-	137,360	217,207	60,273	16,069	2,474,000	26,132	34,141	75,000	151,342	2.36	5.23%
2018	5	64	86,613	28,000	138,734	253,347	60,055	16,069	2,447,868	26,274	33,781	75,750	151,874	2.96	4.84%
2019	5	69	93,380	28,000	140,121	261,501	75,836	16,069	2,421,594	42,418	33,418	76,508	168,412	2.44	4.98%
2020	5	74	100,147	28,000	141,522	269,669	75,228	16,069	2,379,177	42,395	32,833	77,273	168,570	2.56	4.66%
2021	5	79	106,913	28,000	142,937	277,851	75,621	16,069	2,336,781	43,373	32,248	78,045	169,735	2.64	4.40%
2022	5	84	113,680	28,000	144,367	286,047	75,989	16,069	2,293,408	44,340	31,649	78,826	170,883	2.73	4.17%
2023	5	89	120,447	28,000	145,810	294,257	99,333	16,069	2,249,068	68,296	31,037	79,614	195,015	2.16	4.48%
2024	5	94	127,213	28,000	147,269	302,482	100,094	16,069	2,180,773	69,999	30,095	80,410	196,573	2.22	4.28%
2025	5	99	133,980	28,000	148,741	310,721	100,806	16,069	2,110,774	71,677	29,129	81,214	198,089	2.28	4.10%
2026	5	104	140,747	28,000	150,229	318,975	100,469	16,069	2,039,097	72,329	28,140	82,026	198,565	2.36	3.92%
2027	5	109	147,513	28,000	151,731	327,244	100,108	16,069	1,966,768	72,967	27,141	82,847	182,954	2.44	3.46%
2028	5	114	154,280	28,000	153,248	335,528	100,723	16,069	1,893,801	74,589	26,134	83,675	184,398	2.50	3.34%
2029	5	119	161,047	28,000	154,781	343,827	100,289	16,069	1,819,212	75,184	25,105	84,512	184,801	2.59	3.21%
2030	5	124	167,813	28,000	156,328	352,142	99,832	16,069	1,744,028	75,764	24,068	85,357	185,189	2.67	3.09%
2031	5	129	174,580	28,000	157,892	360,472	99,349	16,069	1,668,264	76,327	23,022	86,211	185,560	2.76	2.98%
2032	5	134	181,347	28,000	159,471	368,817	99,843	16,069	1,591,937	77,874	21,969	87,073	186,915	2.82	2.90%
2033	5	139	188,113	28,000	161,065	377,179	100,287	16,069	1,514,063	79,393	20,894	87,943	188,231	2.88	2.82%
2034	5	144	194,880	28,000	162,676	385,556	99,683	16,069	1,434,670	79,885	19,798	88,823	188,506	2.98	2.73%
2035	5	149	201,647	28,000	164,303	393,949	99,055	16,069	1,354,785	80,359	18,696	89,711	188,766	3.07	2.64%
2036	5	154	208,413	28,000	165,946	402,359	147,403	16,069	1,274,426	129,816	17,587	90,608	238,011	2.11	3.20%
2037	5	159	215,180	28,000	167,605	410,785	147,536	16,069	1,144,610	131,740	15,796	91,514	239,050	2.16	3.11%
2038	5	164	221,947	28,000	169,281	419,228	148,596	16,069	1,012,870	134,618	13,978	92,429	241,025	2.20	3.05%
2039	5	169	228,713	28,000	170,974	427,688	149,558	16,069	878,252	137,438	12,120	93,354	242,912	2.24	2.98%
2040	5	174	235,480	28,000	172,684	436,164	150,423	16,069	740,814	140,200	10,223	94,287	244,710	2.27	2.92%
2041	5	179	242,247	28,000	174,411	444,657	151,191	16,069	600,614	142,903	8,288	95,230	246,421	2.31	2.86%
2042	5	184	249,013	28,000	176,155	453,168	155,862	16,069	457,712	149,546	6,316	96,182	252,044	2.29	2.85%
2043	5	269	364,047	28,000	177,916	569,963	156,339	16,069	308,166	152,086	4,253	97,144	253,483	3.02	2.00%
2044	5	279	377,580	28,000	179,696	585,276	158,234	16,069	156,080	156,080	2,154	98,116	256,350	3.08	1.95%
							3,088,013			2,474,000		614,013			

Agenda Item

6

[DRAFT] Division of Drinking Water After-the-Fact Review Policy

The policy is presented to the Drinking Water Board for review and discussion. This document is intended to become a Division of Drinking Water (DDW) division-wide policy to deal with after-the-fact plan review.

Background

The requirements in R309-500 through 550 are intended for review and approval of proposed designs before drinking water sources/facilities are constructed. DDW sometimes becomes aware of drinking water facilities/sources that were constructed or modified without prior Plan Approval (PA) or an Operating Permit (OP), but are in use by public water systems. DDW engineering staff often conduct after-the-fact plan reviews.

Below are some examples:

- A camp (or subdivision) was constructed decades ago as non-public water system. It recently exceeded the threshold for population (or number of service connections) and is now a regulated public water system (PWS). This water system is now required to go through DDW's plan review process for the first time.
- An existing public water system made modifications to its facilities in 2006 because of the physical deficiencies identified during the 2005 sanitary survey. The water system did not obtain PA or OP from DDW for the modifications, however, the modifications corrected the identified deficiencies. The modified facilities have been in use for approximately 10 years.
- A PWS installed a booster chlorinator in July of 2015 to deal with biofilm and positive total coliform (not *E. coli*) in distribution piping. The PWS did not go through the plan review process for installation of the chlorinator.

Factors to Consider

The factors below should be considered during after-the-fact review:

1. Consider if the facility in question can be approved or if there are conditions that would allow the continuance of operation.
 - a. Director can require additional monitoring and reporting where justified.
 - b. The alternative design is acceptable to meet the intent of the rule.
2. Consider if operational or water quality data are available indicating no history of concerns.
3. Consider public health risk or safety concerns.
4. Inspection conducted by a DDW engineer.

- a. Are there physical deficiencies?
 - b. Does construction meet the intent of rule requirements?
- 5. Consider the available information needed for issuing after-the-fact PA or OP (e.g., missing well grout seal certificate, lacking PE stamped plans/specs for PA, or lacking PE certification of rule conformance for OP) and alternative supporting documents that are available.
- 6. Consider whether continued lack of approval of the facility benefit public health. Consider that both action and inaction by DDW may lead to liability.

Policy for After-the-Fact Review of Sources/Facilities Constructed without PA or Placed in Service without OP

- 1. Immediately assess deficiency points in IPS database for using unapproved facilities/sources. This action starts a compliance grace period of 120 days (before the deficiency points become effective).
 - a. 50 deficiency points for facilities
 - b. 200 deficiency points for sources
- 2. Impose monitoring and reporting requirements immediately (if applicable).
- 3. Gather the water system's operational records, water quality data, and source protection information as applicable.
 - a. Determine whether the historical data indicates concerns.
 - b. Has DDW received New Source Chemistry data for an unapproved source?
 - c. Are there bacteriological sample results for the source (prior to any treatment)?
 - d. Are there bacteriological sample results for the distribution system?
 - e. Are there chemical sample results (as appropriate)?
 - f. Are there any drinking water source protection concerns? (Is the source considered controlled? Are there uncontrolled potential contamination sources? Can land use agreements be obtained or is there a local ordinance in place? Can approval be granted with additional conditions or monitoring?, etc.)
- 4. Plan Review Engineer must conduct **at least one onsite inspection** of the sources/facilities in question (or a sanitary survey by an engineering staff) if the sources/facilities subject to after-the-fact review include more than water lines.
 - a. Identify physical deficiencies.
 - b. Determine whether construction meet the current rule requirements or the intent of the requirements.
- 5. Determine whether there are any public health risks or safety concerns.
- 6. Determine what else can be done to achieve equivalent protection.

- a. Impose additional monitoring and reporting to better monitor or track water quality changes. (Examples: 12 months of source bacteriological sampling, quarterly nitrate sampling for 3 years for trending, etc.)
7. Coordinate with DDW management concerning whether sufficient information can be gathered for after-the-fact PA (e.g., well grout seal certificate for well, PE stamped plans/specs, PE certification of rule conformance, water quality data, source protection information, etc.).
 - a. If plans and specs with PE design (stamped, signed, and dated) are available, DDW may issue after-the-fact PA and OP.
 - b. If plans and specs with PE design (stamped, signed and dated) are **not** available and DDW does not have sufficient information to issue after-the-fact PA, DDW may choose to issue an after-the-fact OP instead.
 - i. The after-the-fact OP may include specific conditions, for example, additional water quality monitoring and reporting requirements, source flow or drawdown monitoring requirements, etc. In some cases, an after-the-fact **temporary** OP may be appropriate until DDW receives sufficient data needed for issuing an after-the-fact OP.
 - ii. The after-the-fact OP need to include an explanation of the reasons/justifications for not issuing PA.
 - iii. This water system may be subject to disclosure (which may be zero deficiency points) in IPS database for facilities or sources of constructions that deviate significantly from current rule requirements and for which DDW does not have adequate information to issue after-the-fact PA. Assign a special code noting that the system did not follow the typical plan approval process for a specific facility/source. The disclosure code will stay in place until the facility or source is replaced and brought up to date.
 - c. Include exception to rule for deviations from the current design and construction standards in the after-the-fact PA and/or OP. The exception language should clearly identify whether the intent of the rule is met or additional conditions are imposed to meet the intent of the rule.
8. For projects constructed without Plan Approval (PA) after July 1, 2015, a fee of \$1,000 per project may be assessed per the plan review penalty fee policy.
9. For projects that DDW cannot issue after-the-fact plan approval or operating permit for, further compliance action may be taken.

References

- R309-100-5 Approval of Plans and Specifications for Public Water Supply Projects

- R309-105-6(1) Approval of Engineering Plans and Specifications, (2) Acceptable Design and Construction Methods, and (6) Requirements After Approval of Plans for Construction
- R309-500-4(1) Construction of New Facilities and Modification of Existing Facilities
- R309-500-6(1) Project Notification and (2) Pre-Construction Requirements
- R309-500-9 Operating Permit

Agenda Item

8(A)

Proposed DWB 2017 Meeting Schedule

Due to the previously proposed date of November 10, 2017 falling on a Holiday, that meeting date was moved to November 3, 2017. January 12, 2018 was also added to the proposed schedule.

Drinking Water Board Meetings have historically been held on the 2nd Friday of the month in January, May, July, and November. Meetings are also held in conjunction with Rural Water Association of Utah conferences.

For calendar year 2017 the corresponding dates are as follows:

Friday, January 13

Thursday, March 2 (RWAU Annual Conference, St. George)

Friday, May 12

Friday, July 14

Wednesday, August 30 (RWAU Northern Conference, Layton)

Friday, November 3

Friday, January 12, 2018