

Drinking Water Board Packet

January 12, 2021

Agenda



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Department of
Environmental Quality

L. Scott Baird
Executive Director

DIVISION OF DRINKING WATER
Ying-Ying Macauley, P.E.
Interim Director

Drinking Water Board

Roger Fridal, Chair
Kristi Bell, Vice-Chair
Scott Morrison
Jeff Coombs
David O. Pitcher
Eric Franson, P.E.
Barbara Gardner
Blake Tullis, Ph.D.
L. Scott Baird
Ying-Ying Macauley, P.E.
Executive Secretary

DRINKING WATER ELECTRONIC BOARD MEETING

Via GoToMeeting

<https://global.gotomeeting.com/join/566470605>

January 12, 2021 1:00 PM

Ying-Ying Macauley's Cell Phone #: (801) 674-2553

1. Call to Order
2. Electronic Meeting Notice – Roger Fridal
3. Roll Call – Division Director/Staff
4. Approval of the November 3, 2020 Minutes
5. Disclosure for Intent to Publicly Comment – Roger Fridal
6. Disclosure for Conflict of Interest – Roger Fridal
7. Recognition of Marie Owens's Service to the Board
8. Financial Assistance Committee Report
 - A. Status Report – Michael Grange
 - B. Project Priority List – Michael Grange
 - C. SRF Applications
 - i) STATE
 - a. Wallsburg Town – Deauthorization – Skye Sieber
 - ii) FEDERAL
 - a. Daniel Town – Heather Pattee
 - b. Willow Creek Water – Heather Pattee
 - D. Other
 - i) Work Meeting Discussion

9. Rulemaking Activities

- A. Rulemaking Process Overview – Ying-Ying Macauley (Informational Item)
- B. Current Rulemaking Activities (Board Action Needed)
 - i) Authorization to Initiate the Rulemaking Process for Revising R309-405
(Compliance and Enforcement: Administrative Penalty Rule) – Mark Berger

10. Approval of the Sandy City Stipulated Consent Order (Board Action Needed) – Ying-Ying Macauley & Bret Randall

11. Public Comment Period – Roger Fridal

12. Rural Water Association Report – Dale Pierson

13. Directors Report – Division Director / Staff

- A. Enforcement Report
- B. New Employee: Sarah Page
- C. August 2020 Legislative Audit Recommendations – Update
- D. DDW Response to Fee Comments Received in 2020

14. Open Board Discussion – Roger Fridal

15. Other

16. Next Board Meeting

Date: Thursday March 4, 2021
Time: 9:00 AM
Place: Dixie Convention Center St George, UT

17. Adjourn

Agenda Item

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DRINKING WATER ELECTRONIC BOARD MEETING

Via GoToMeeting
November 3, 2020 1:00 PM

DRAFT MINUTES

1. Call to Order

Roger Fridal, Chair, called the Board meeting to order at 1:13 PM.

2. Electronic Meeting Notice – Roger Fridal

Roger Fridal read the written determination to hold the meeting electronically.

3. Roll Call – Ying-Ying Macauley

Prior to conducting roll call, DDW Interim Director, Ying-Ying Macauley introduced herself to the Board. Upon Marie's resignation as director, Ying-Ying was brought out of retirement to temporarily serve as interim director until a permanent director can be recruited. At the time of her retirement, Ying-Ying was a DDW assistant director.

Board Members present: Roger Fridal, Kristi Bell, Scott Morrison, Eric Franson, Blake Tullis, Jeff Coombs, David Pitcher, Barbara Gardner, Scott Baird.

Division of Drinking Water (Division, DDW) Staff present: Ying-Ying Macauley, Interim Director, Michael Grange, Heather Pattee, Skye Sieber, Allyson Spevak, Nathan Lunstad, Mimi Ujiie, Colt Smith, Brent Arns, Hunter Payne, Dani Zebelean.

4. Approval of the September 1, 2020 Minutes

- Jeff Coombs moved to approve the September 1, 2020 minutes. David Pitcher seconded. The motion was carried unanimously by the Board.

5. 2021 Drinking Water Board Meeting Schedule (Board Action Needed)

- Kristi Bell moved to approve the 2021 Drinking Water Board meeting schedule to include holding two meetings in-person at the 2021 RWAU conferences; one meeting at the annual 2021 RWAU conference and the other at the fall 2021 RWAU conference. Scott Morrison seconded. The motion was carried unanimously by the Board.

Board members will be given the option to virtually attend the two meetings held in-person at the RWAU conferences.

6. Disclosure for Intent to Publicly Comment – Roger Fridal

No disclosure for the intent to publicly comment was made.

7. Disclosure for Conflict of Interest – Roger Fridal

No disclosure for conflict of interest was made.

8. Financial Assistance Committee Report

A. Status Report – Michael Grange

Michael Grange, Technical Assistance Section Manager with the Division of Drinking Water reported that as of September 30, 2020 there is a balance of approximately \$20,100,000 in the Federal SRF fund. Over the course of the next year, the Division is expecting almost \$22 million to be added to the fund from the EPA capitalization grant, state match, and principal and interest payments. By October 1, 2021 there will be a total of approximately \$42 million available for Federal project allocation.

SRF staff are currently working on closing federal loans for projects with several water systems. The system names can be found in the status report.

Michael then reported that as of September 30, 2020 there is a balance of just over \$7.6 million in the State SRF fund. Over the course of the coming year, the Division is expecting another \$3.9 million to come into the fund from sales tax revenue and repayment streams. By October 1, 2021 there will be a total of approximately \$11.6 million available for State program projects.

SRF staff are currently working to close loans for six State projects; those water system names can be found in the status report.

B. Project Priority List – Michael Grange

Michael Grange reported that one new project is recommended to be added to the Project Priority List: Moroni City with 35.3 points to drill a new well and upgrade the meters within their system. The Financial Assistance Committee recommends the Board approve the updated Project Priority List as presented, with the addition of this project.

- Eric Franson moved to approve the updated Project Priority List. David Pitcher seconded. The motion was carried unanimously by the Board.

C. SRF Applications

i) STATE

a. **Wallsburg Town** – Skye Sieber

Representing Wallsburg Town were Mayor Celeni Richins and Councilmember Clint Allen.

Skye Sieber informed the Board that Wallsburg Town, located in Wasatch County, is requesting funding for a water master plan. The total amount that they're requesting is \$100,000. The local MAGI for Wallsburg is \$51,700 which is approximately 108% of the State MAGI. The current average water bill is \$43.75. Their after-project water bill at full loan would be \$53.49 which is 1.24% of the local MAGI.

The Financial Assistance Committee recommends that the Board authorize a loan of \$100,000 at 1.89% interest for 10 years to Wallsburg Town.

David inquired if the rate payers are aware the loan is for a master plan and that their rates will increase as a result. Clint Allen replied that they have held a few public meetings about the need for a master plan and subsequent projects for which they will need to apply for additional funding.

The town's preference is to fund the master plan with a grant so as not to raise rates prior to starting projects. The town further stated that they probably couldn't afford a loan for the master plan at this point. Eric Franson believes that based on the financial indicators (MAGI, water bill) a loan is appropriate at this time. The town believes that the MAGI used wasn't specific enough for their area and should be lower. For this they have additional information collected from a door to door survey. Jeff Coombs clarified that the recommendation made was based upon the data supplied in the application and that the Board cannot consider another recommendation unless additional information is provided. Michael pointed out that anytime a water system wishes to gather additional data via a survey, it must be conducted by an independent 3rd party. Curt Ludvigson cautioned that RWAU has conducted such surveys in the past with low response rates.

Ying-Ying pointed out the two cross connection related items on their IPS report which she says are easy to resolve.

The town replied that they've been working to resolve these issues.

- Jeff Coombs moved to authorize a loan of \$100,000 at 1.89% interest for 10 years to Wallsburg Town and that they address their current IPS points. David Pitcher seconded. The motion was carried unanimously by the Board.

Further discussion about this project occurred later in the meeting with Michael explaining that if a planning advance goes out as a loan and the recipient comes back for project financial assistance, the planning loan can be rolled into the construction loan. Staff will discuss this with Wallsburg Town. Also, the Board could authorize a match amount if the town could come up with rest, a match which could be a grant. Grants are generally for amounts under \$100,000.

b. Virgin Town Deauthorization – Skye Sieber

Skye Sieber informed the Board that on January 15, 2019 Virgin Town was authorized a grant of \$400,000 and a loan of \$400,000 to construct a new tank and distribution lines.

On October 22, 2020, staff received a letter from Virgin Town Mayor, Matthew Spendlove and Town Engineer, Rod Mills indicating the project has run into substantial delays and change in scope. They have also spent some of their pledged contribution on other, more pressing system improvements. They will continue to work on securing the land needed for the new tank and come back to the Drinking Water Board with an updated project proposal and request at a later time.

Staff recommended that the Drinking Water Board deauthorize a grant of \$400,000 and a loan of \$400,000 at 0% interest for 20 years to Virgin Town.

- Kristi Bell moved that the Drinking Water Board deauthorize a grant of \$400,000 and a loan of \$400,000 at 0% interest for 20 years to Virgin Town. Scott Morrison seconded. The motion was carried unanimously by the Board.

ii) **FEDERAL**
a. Moroni City – Skye Sieber

Representing Moroni City were city Councilmember Thayne Atkinson, and Trent Brown and Justin Atkins of Sunrise Engineering.

Skye Sieber informed the Board that Moroni City is requesting financial assistance to construct a new well and well house, 500,000-gallon storage tank and overflow line, PRV station and pumplines, and make several improvements to the existing SCADA, and distribution system. The project has been added to the Project Priority List with 35.3 points. The total estimated cost of the project is \$3,535,000 and the city is requesting the full amount from the Board. The MAGI for Moroni City \$36,500 which is 76% of the State MAGI. The current average water bill is \$60.16 per connection. The projected after-project water bill at a 20-year loan would be \$98.04 which is 3.22% of the local MAGI. Based on the system % of State MAGI and current and future water bill rates they do qualify for additional subsidy.

The Financial Assistance Committee recommends that the Drinking Water Board authorize a loan of \$3,535,000 with \$1,050,000 in principal forgiveness at a 1% hardship grant assessment fee for 30 years to Moroni City, for a repayable amount of \$2,485,000. Additionally, the Board authorize a release of up to \$200,000 from principal forgiveness for engineering design. Conditions include that they resolve all issues on their compliance report.

To the maximum extent allowable, the city is requesting an additional release of the principal forgiveness for pre-construction costs related to the test well. They need to first drill a test well and get those results before they can submit plan approval for the production well. Up to 30% of the principal forgiveness amount can be released which in this case is \$315,000.

Michael said their compliance report deficiencies include lacking updates on their source protection plans for the east and west wells. They may be able to get these plans updated before

loan closing. A representative from the city said that Sunrise would help them with their source protection plan updates. Michael said that they can withhold disbursing funds until these items are resolved.

- David Pitcher moved to authorize a loan of \$3,535,000 with \$1,050,000 in principal forgiveness at 1% hardship grant assessment fee for 30 years for a repayable amount of \$2,485,000 to Moroni City. Additionally, the Board authorizes the release up to \$315,000 from principal forgiveness for the engineering design and test well. Blake Tullis seconded. The motion was carried unanimously by the Board. David amended his motion to include the condition that they have their source protection plans completed by the beginning of the operation of the system. Blake Tullis seconded the amendment. The motion was carried unanimously by the Board.

b. Provo City – Skye Sieber

Skye Sieber informed the Board that Provo City applied for financial assistance but they contacted her yesterday and indicated that after additional internal consideration and discussion, they're reworking their proposal. This rework could significantly change the cost and the engineering. The city has also turned in a letter of interest for funding through the WIFIA program. Staff recommended that the city come back to the Board when they have a firmer proposal.

As was the case with the Provo City application, Michael explained that the loan origination fee is waived anytime that a community qualifies for additional subsidy.

9. Rural Water Association Report – Dale Pierson

Dale thanked Marie [Owens] for the time that she put in with the Division of Drinking Water. RWAU appreciates the relationship and interaction Marie has had with them. Dale also welcomed back Ying-Ying.

Reports from the three contracted RWAU staff can be found in the packet and they are always available to answer questions.

RWAU is planning their annual conference in St George with safety measures in place.

Dale reported that the fall RWAU conference went well with safety measures in place.

10. Directors Report – Ying-Ying Macauley, Interim Director

A. Enforcement Report

The most up to date enforcement report is included in the packet.

Eric Franson has seen that as his engineering firm works with systems on plan approval and resolving issues, there doesn't seem to be great communication between resolving an issue with DDW engineering and the DDW enforcement/compliance side acting on an issue. There seems to be a disconnect between the two.

Ying-Ying thanked Eric for his feedback and agreed that there is room for improvement in that regard.

B. New Employees; Danielle Zebelean, Hunter Payne, Brent Arns, Kerri Minerich

Danielle Zebelean, Hunter Payne and Brent Arns are all new employees, engineers within the Permitting section.

Kerri Minerich submitted her resignation just prior to this meeting and therefore wasn't introduced to the Board.

C. Other

11. Public Comment Period – Roger Fridal

12. Open Board Discussion – Roger Fridal

Scott Morrison thanked Ying-Ying for her service and willingness to come back to help out the Division. David Pitcher agreed and further suggested that the Board formally express appreciation to Marie Owens at the January meeting. Other Board members agreed with David's suggestion.

13. Other

14. Next Board Meeting

Date: January 12, 2021
Time: 1:00 PM
Place: GoToMeeting

15. Adjourn

- Scott Morrison moved to adjourn the meeting. Jeff Coombs seconded. The motion was carried unanimously by the Board.

The meeting adjourned at 2:27 PM.

Agenda Item

8(A)

DIVISION OF DRINKING WATER
FEDERAL SRF
AS OF November 30, 2020

FIRST ROUND FUND		FEDERAL SECOND ROUND FUND		
1997 thru 2020 SRF Grants		Principal Repayments	Earnings on Invested Cash Balance	Hardship Fund
Net Federal SRF Grants:	\$187,337,761	Principal (P):	\$72,479,379	
Total State Matches:	\$43,453,300	Interest (I):	\$20,249,185	
Closed Loans:	-\$230,791,016	Total P & I:	\$92,728,564	
Total Grant Dollars:	\$45		Total:	\$1,047,199
				Total:

\$1,347,260

SUMMARY

Total Federal State Revolving Fund:	\$93,775,809
Total Federal Hardship Fund:	\$1,347,260
Subtotal:	\$95,123,068

**LESS
AUTHORIZED &
PARTIALLY
DISBURSED**

Less:	
Authorized & Partially Disbursed Closed Loans:	\$66,006,395
Authorized Federal Hardship:	\$428,246
Subtotal:	\$66,434,641

(see Page 2 for details)

PROPOSED

Proposed Federal Project(s):	\$5,692,000
Proposed Federal Hardship Project(s):	\$132,800
Subtotal:	\$5,824,800

(see Page 2 for details)

AS OF: November 30, 2020

TOTAL REMAINING LOAN FUNDS:	\$22,077,414
TOTAL REMAINING HARDSHIP FUNDS:	\$786,213

Total Balance of ALL Funds after deducting proposed actions: \$22,863,627

Projected Receipts thru December 1, 2021

2022 Fed SRF Grant	\$0
2022 State Match	\$0
2021 Fed SRF Grant & State Match	\$10,295,560
Interest on Investments	\$2,011,200
Principal Payments	\$8,061,203
Interest	\$997,442
Hardship & Technical Assistance fees	\$394,807
Fund 5215 principal payments	\$107,200
Total:	\$21,867,411

Receive 60% in January

Total Estimated Federal SRF Funds Available through: 12/01/2021 **\$44,731,038**

DIVISION OF DRINKING WATER

FEDERAL SRF LOAN FUNDS

AS OF November 30, 2020

	Loan Funds 1st Round	Loan Payments			TOTAL
		2nd Round		Hardship Fund	
		Principal	Interest		
Federal Capitalization Grants and State 20% match	\$230,791,061				
Earnings on Invested 1st Round Funds			1,047,199		
Repayments (including interest earnings on 2nd round receipts)		72,479,379	20,249,185	1,347,260	325,914,084
Less:					
Closed loans and grants	-230,791,016				-230,791,016
SUBTOTAL of Funds Available	\$45	\$72,479,379	\$21,296,384	\$1,347,260	\$95,123,068
Loans & Grants authorized but not yet closed or fully disbursed	-8,655,000	-56,633,504	-717,891	-428,246	-66,434,641
SUBTOTAL of Funds Available less Authorized	-\$8,654,955	\$15,845,875	\$20,578,493	\$919,013	\$28,688,427
Future Estimates:					
Proposed Loans/Grants for current board package	-5,692,000			-132,800	-5,824,800
SUBTOTAL of Funds Available less Proposed Loans & Grants	-\$14,346,955	\$15,845,875	\$20,578,493	\$786,213	\$22,863,627
PROJECTIONS THRU December-2021					
2021 Fed SRF Grant & State Match	10,295,560				
2022 Fed SRF Grant	0				0
2022 State Match	0				0
Projected repayments & revenue during the next twelve months		8,168,403	997,442	394,807	9,560,651
Projected annual investment earnings on invested cash balance		1,620,000	360,000	31,200	2,011,200
TOTAL	-\$4,051,395	\$25,634,278	\$21,935,935	\$1,212,220	\$44,731,038

DIVISION OF DRINKING WATER
STATE LOAN FUNDS
AS OF November 30, 2020

SUMMARY		
	Total State Fund:	\$16,603,045
	Total State Hardship Fund:	\$2,543,083
	Subtotal:	\$19,146,128
LESS AUTHORIZED	Less:	
	Authorized Loans & Closed loans in construction:	\$11,251,000
	Authorized Hardship:	\$2,718,505
	Subtotal:	\$13,969,505
	Total available after Authorized deducted	\$5,176,623
PROPOSED	Proposed Loan Project(s):	-\$100,000
	Proposed Hardship Project(s):	\$0
	Subtotal:	-\$100,000
AS OF:		
November 30, 2020	TOTAL REMAINING STATE LOAN FUNDS:	\$5,452,045
	TOTAL REMAINING STATE HARDSHIP FUNDS:	(\$175,422)

Total Balance of ALL Funds: **\$5,276,623**

Projected Receipts Next Twelve Months: and Sales Tax Revenue	
Annual Maximum Sales Tax Projection	\$3,587,500
Less State Match for 2021 Federal Grant	(\$2,202,200)
Less State Match for 2022 Federal Grant	\$0
Less Appropriation to DDW/Board	(\$1,018,500)
SUBTOTAL Sales Tax Revenue including adjustments:	\$366,800
Payment:	
Interest on Investments (Both Loan and Hardship Accounts)	\$96,000
Principal payments	\$2,817,000
Interest payments	\$686,967
Total Projections:	\$3,966,767

Total Estimated State SRF Funds Available through 12-01-2021	\$9,243,389
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**DIVISION OF DRINKING WATER
STATE LOAN FUNDS
PROJECTS AUTHORIZED BUT NOT YET CLOSED
AS OF November 30, 2020**

Community	Loan #	Cost Estimate	Date Authorized	Date Closed/Anticipated	Authorized Funding		
					Loan	Grant	Total
Aurora City 0.75% int 30 yrs	3S258	4,228,000	Aug-18		3,804,000	424,000	4,228,000
Genola City 0% int 30 yrs	3S1732	2,849,400	Aug-19		2,273,000	326,400	2,599,400
Bear River WCD 0% int 20yrs	3S1761	201,005	Sep-20		141,000	60,005	201,005
Caineville SSD 0% int 30 yrs	3S1766	595,000	Sep-20		295,000	300,000	595,000
Wallsburg 1.89% int 10 yrs	3S1771P	100,000	Nov-20		100,000		100,000
Moroni City 1% int	3S1772	4,585,000	Nov-20		3,535,000	1,050,000	4,585,000
Subtotal Loans and Grants Authorized					10,148,000	2,160,405	12,308,405
PLANNING LOANS / GRANTS IN PROCESS							
Jensen WID grant	3S1757P	40,000	May-20	May-19		40,000	40,000
Fairview	3S1736P	40,000	Aug-19	Sep-19		40,000	40,000
Thompson SSD	3S1747P	29,500	Jan-20	Feb-20		29,500	29,500
Pinion Forest SSD	3S1742P	70,000	Aug-19	Apr-20		20,000	20,000
Eureka	3S1743P	20,000	Sep-19			20,000	20,000
Austin SSD pl grant	3S1756P	40,000	Apr-20	Sep-20		40,000	40,000
Axtell Community SSD 20yrs 2%	3S1765P	103,000	Sep-20		103,000		103,000
Bristlecone WID	3S1762P	38,600	Jun-20	Sep-20		38,600	38,600
Circleville Town	3S1773P	40,000	Sep-20	Nov-20		40,000	40,000
Dutch John Town	3S1776P	40,000	Nov-20			40,000	40,000
Subtotal Planning in Process					103,000	308,100	292,500
CLOSED LOANS (partially disbursed)							
Mtn Regional-Community Wtr 2% 20 yr	3S254	2,600,000	Jul-18	Dec-19	1,000,000		1,000,000
Genola City Water Tank	3S1732	250,000	Aug-19	Mar-20		250,000	250,000
Subtotal Closed Loans Partially Disbursed					1,000,000	250,000	1,250,000
TOTAL AUTHORIZED/PLANNING/OR CLOSED BUT NOT YET FUNDED					\$11,251,000	\$2,718,505	\$13,969,505
PROPOSED PROJECTS FOR Oct/Nov 2020							
Wallsburg 1.89% 10 yrs (Deauth)	3S1771P	(100,000)			(100,000)		(100,000)
Total Proposed Projects					(100,000)	0	(100,000)

DIVISION OF DRINKING WATER
STATE LOAN FUNDS
AS OF November 30, 2020

	5235	5240	
	Loan	Interest	
	Funds	(use for Grants)	Total
Cash:	\$16,603,045	\$2,543,083	\$19,146,128
Less:			
Loans & Grants authorized but not yet closed (schedule attached)	(10,251,000)	(2,468,505)	(12,719,505)
Loans & Grants closed but not fully disbursed (schedule attached)	(1,000,000)	(250,000)	(1,250,000)
Proposed loans & grants	100,000	0	100,000
Administrative quarterly charge for entire year	(1,018,500)		(1,018,500)
Appropriation to DDW	0		0
FY 2021 Federal SRF 20% match	(2,202,200)		(2,202,200)
FY 2022 Federal SRF 20% match	0		0
	2,231,345	(175,422)	2,055,923
Projected repayments during the next twelve months			
Thru 12-01-2021			
Principal	2,817,000		2,817,000
Interest		686,967	686,967
Projected annual investment earnings on invested cash balance		96,000	96,000
Sales Tax allocation thru Dec-01-2021	3,587,500		3,587,500
Total	\$8,635,845	\$607,545	\$9,243,389
* All interest is added to the Hardship Fee account.			

Agenda Item 8(B)

Project Priority List
Presented to the Drinking Water Board
January 12, 2021

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

There is one new project being added to the project priority list

Daniel Town is being added to the Project Priority List with 53.3 points. Their project consists of a storage tank, pump station, and distribution system upgrades.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board approves the updated Project Priority List.

Utah Federal SRF Program

December 21, 2020

Project Priority List

Authorized

Total Unmet Needs:

\$684,006,602

Total Needs, incl. Recent funding

\$594,730,482

\$375,351,465

	date	type	%Green	Priority	System Name	County	Pop.	ProjectTitle	Project Total	SRF Assistance	Funds Authorized
N					53.3	Daniel Town / Storm Haven	Wasatch		New tank, pump house, upgrade distribution lines	\$5,792,000.00	\$ 5,692,000

A				27.5	Sigurd Town	Sevier		Spring redevelopment, tank, chlorinator	\$2,120,101	\$2,020,101	\$2,300,000
A				16.7	Willow Creek	Box Elder	260	Generator, mixer, meters	\$123,000	\$123,000	\$123,000
A				7.0	Genola	Utah	1,500	Tank and well	\$2,849,400	\$2,849,400	\$2,849,400
A				4.7	Hyde Park City	Cache		2 MG tank, trans & dist line, booster pump	\$5,994,000	\$5,000,000	\$5,000,000

N = New Application

A = Authorized

P = Potential Project- no application

E= **Energy Efficiency**

W= Water Efficiency

G= Green Infrastructure

I= Environmentally Innovative

EMERGENCY FUNDING

[illegible]

Agenda Item

8(C)(i)(a)

**DRINKING WATER BOARD
BOARD PACKET FOR DEAUTHORIZATION**

APPLICANT'S REQUEST

On November 3, 2020, Wallsburg Town was authorized a loan of \$100,000 to complete a water master plan.

STAFF COMMENTS

On November 15, 2020, staff received an email from the Mayor of Wallsburg indicating the Town Council decided to not accept the loan at this time.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION

The Drinking Water Board deauthorize a **loan of \$100,000 at 1.89% interest for 10 years** to Wallsburg Town.



Skye Sieber <sasieber@utah.gov>

Drinking Water Loan | Wallsburg Town

Celeni Richins <celenirichins@gmail.com>

Sun, Nov 15, 2020 at 12:24 AM

To: Skye Sieber <sasieber@utah.gov>

We discussed it at our Town Council and have decided not to accept the loan at this time. We appreciate the offer and hope to work with you in the future.

--- Celeni Richins
Mayor, Wallsburg Town

On Nov 12, 2020, at 9:57 AM, Skye Sieber <sasieber@utah.gov> wrote:

[Quoted text hidden]

Agenda Item

8(C)(ii)(a)

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

APPLICANT'S REQUEST:

Daniel Town has a project consisting of a new water tank, pump station with associated piping and upgrades to the distribution system. This project will improve the entire Storm Haven water system, which merged with Daniel Town in 2016, and continue the process to consolidate these two systems. The total project cost is \$5,792,000. Daniel Town will be contributing \$100,000 towards the project and is requesting \$5,692,000 from the Board.

STAFF COMMENTS:

Median Adjusted Gross Income (MAGI) information is available for Daniel Town's Zip Code (84032), which includes the Timberlakes area as well as Heber City. The Zip Code MAGI is \$52,000, or 108.3% of the State MAGI. Daniel Town also commissioned an independent income survey which showed a local MAGI of \$45,700 (95% of the state MAGI). The estimated after-project water bill, at full loan, would be \$134.89 which is 3.54% of the local MAGI. Therefore, they do qualify as a hardship community to receive additional subsidy.

Option #	Description	Repayable Loan Amount	Interest Rate	Term	Principal Forgiveness	Monthly Water Rate	% Local MAGI
1	Full Loan	\$ 5,692,000	0%	20 yrs	0	\$134.89	3.54%
2	70/30	\$ 3,992,000	0%	30 yrs	\$ 1,700,000	\$ 86.32	2.27%
3	50/50	\$ 2,847,000	0%	30 yrs	\$2,845,000	\$ 74.09	1.95%

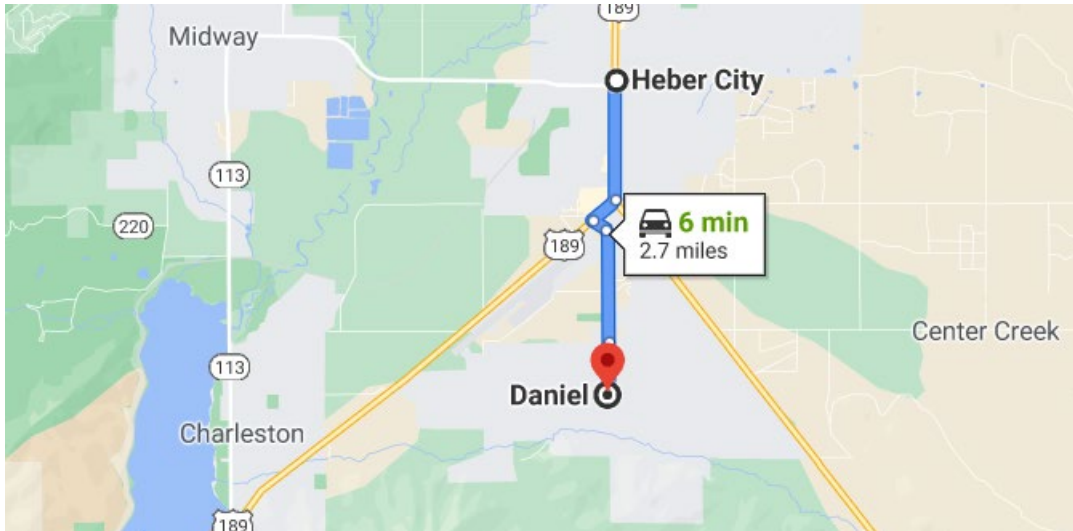
FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board authorize a loan of \$5,692,000 at 0.00% interest for 30 years with \$1,700,000 in principal forgiveness, for a repayable loan amount of \$3,992,000, to Daniel Town. Conditions include they resolve any deficiencies on their IPS report.

APPLICANT'S LOCATION:

Daniel Town is located in Wasatch County 3 miles South of Heber.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

Daniel Town has a project consisting of a new water tank, pump station with associated piping and upgrades to the distribution system. This project will improve the entire Storm Haven water system, which merged with Daniel Town in 2016, and continue the process to consolidate these two systems.

COST ESTIMATE:

Legal/Bonding/Admin	\$ 25,000
Environmental	\$ 15,000
Engineering – CMS & Design	\$ 475,220
Construction - tank	\$ 1,872,000
Construction – pump station	\$ 118,300
Construction – distribution lines	\$ 2,763,280
Contingency (~ 10%)	\$ 523,200
Total	\$ 5,792,000

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 Loan	\$3,992,000	70%
DWB principal forgiveness	\$1,700,000	29%
Recipient contribution	\$100,000	1%
Total	\$5,792,000	100%

IMPLEMENTATION SCHEDULE:

FA Committee Conference Call:	December 2020
DWB Funding Authorization:	January 2021
Complete Design:	April 2021
Plan Approval:	June 2021
Advertise for Bids:	June 2021
Begin Construction:	July 2021
Complete Construction:	December 2021

IPS SUMMARY:

Code	Description	Physical Facilities	Quality & Monitoring	Significant Deficiency Violations
M007	CCC – lacks ongoing enforcement	15		
M006	CCC – Lacks written records	15		
	CCR report for 2018		15	
	Total = -45	30	15	0

CONTACT INFORMATION:

APPLICANT:

Daniel Town
1375 South Daniels Road #8
Heber City, UT 84032
435-654-5062

PRESIDING OFFICIAL &
CONTACT PERSON:

Chip Turner
Mayor
1375 South Daniels Road #8
Heber City, UT 84032
435-654-5062
chipturner@danielutah.org

CONSULTING ENGINEER:

Ryan Taylor
T-O Engineers
2211 West 3000 South ste B
Heber City, UT 84035
435-315-3168
rtaylor@to-engineers.com

RECORDER:

Lynn Shindurling
801-557-5708
lynnshindurling@danielutah.org

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Daniel Town / Storm Haven
 COUNTY: Wasatch
 PROJECT DESCRIPTION: Tmnt facility, hydrants, valves, tank upgrades

FUNDING SOURCE: State SRF

70 % Loan & 30 % Grant

ESTIMATED POPULATION:	966	NO. OF CONNECTIONS:	325 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$22.03 *			PROJECT TOTAL:	\$5,792,000
CURRENT % OF AGI:	0.58%	FINANCIAL PTS:	31	LOAN AMOUNT:	\$3,992,000
ESTIMATED MEDIAN AGI:	\$45,700			GRANT AMOUNT:	\$1,700,000
STATE AGI:	\$48,000			TOTAL REQUEST:	\$5,692,000
SYSTEM % OF STATE AGI:	95%				

	@ ZERO % RATE 0%	@ RBBI MKT RATE 2.60%		AFTER REPAYMENT PENALTY & POINTS 0.00%
<u>SYSTEM</u>				
ASSUMED LENGTH OF DEBT, YRS:	30	30		30
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	2.60%		0.00%
REQUIRED DEBT SERVICE:	\$133,066.67	\$193,280.50		\$133,066.67
*PARTIAL COVERAGE (15%):	\$19,960.00	\$28,992.07		\$19,960.00
*ADD. COVERAGE AND RESERVE (10%):	\$13,306.67	\$19,328.05		\$13,306.67
ANNUAL NEW DEBT PER CONNECTION:	\$511.79	\$743.39		\$511.79
 O & M + FUNDED DEPRECIATION:	 \$121,653.00	 \$121,653.00		 \$121,653.00
OTHER DEBT + COVERAGE:	\$48,675.00	\$48,675.00		\$48,675.00
REPLACEMENT RESERVE ACCOUNT:	\$0.00	\$0.00		\$0.00
ANNUAL EXPENSES PER CONNECTION:	\$524.09	\$524.09		\$524.09
 TOTAL SYSTEM EXPENSES	 \$336,661.33	 \$411,928.62		 \$336,661.33
TAX REVENUE:	\$0.00	\$0.00		\$0.00
 <u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$86.32	\$105.62		\$86.32
 % OF ADJUSTED GROSS INCOME:	 2.27%	 2.77%		 2.27%

\$0.00

Agenda Item 8(C)(ii)(b)

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

APPLICANT'S REQUEST:

Willow Creek Water Company was authorized financial assistance in the amount of \$123,000 for a project including a backup generator, meters and a tank mixer.

Willow Creek has decided to change the scope of work to include solar power that will charge the back-up generator and help reduce the cost of electric energy used. With the updated scope of work and engineering fees, Willow Creek is requesting \$226,000 in financial assistance

STAFF COMMENTS:

The local MAGI for Willow Creek Water Company is approximately \$56,100 (117% of the state MAGI), the after project water bill, at a full loan for 25 years, will be \$89.53 which is 1.92% of the local MAGI.

Option #	Description	Repayable Loan Amount	Interest Rate	Term	Grant or Principal Forgiveness	Monthly Water Rate	% Local MAGI
1	Full Loan	\$226,000	1.00%	25 yrs	0	\$89.53	1.92 %

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Drinking Water Board de-authorize the original funding of a loan of \$123,000 at 1.0% for 20 years.

The Drinking Water Board authorize a loan of \$226,000 at 1.0% interest for 25 years. Conditions include that they resolve all issues on their compliance report.

APPLICANT'S LOCATION:

Willow Creek Water Company is located in Box Elder County approximately 13 miles North East of Tremonton.

MAP OF APPLICANT'S LOCATION:



PROJECT DESCRIPTION:

The proposed project includes installing a solar power array, a backup generator, and a submersible mixer for the system's storage tank. Willow Creek Water Company's shareholders requested changes to the original scope of work that they believe will be more beneficial to the Company in the long run.

The new scope of work involves the following:

- Replace the originally proposed 60kw generator with a 140- to 180- panel solar array with storage battery system to provide the required emergency power supply for the well and booster pumps. Add a 21kw generator to charge the battery system in the event of a power failure and cloudy weather renders the solar array insufficient to fully charge the battery system.
- Remove the meter replacement portion of the original project.
- Install a mixer in the storage tank to improve water quality.

POPULATION GROWTH:

Projected populations and number of connections are shown in the table below: These are based on a 1.0% growth rate.

Year	Population	Connections
2020	260	67
2030	262	68
2040	264	69

IMPLEMENTATION SCHEDULE:

DWB Funding Authorization:	January 2021
Complete Design:	February 2021
Plan Approval:	March 2021
Begin Construction:	April 2021
Complete Construction:	Sep 2021

COST ESTIMATE:

Legal – Bonding, Admin	\$2,740
Engineering- Plan, Design, CMS	\$11,000
Construction – generator & solar power	\$185,000
Construction – mixer	\$25,000
Loan origination fee	\$2,260
Total Project Cost	\$226,000

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 Loan	\$226,000	100%
Total	\$226,000	100%

IPS SUMMARY:

Code	Description	Physical Facilities	Quality & Monitoring	Significant Deficiency Violations
S033	COM SYSTEM WITHOUT NATURALLY FLOWING SOURCES LACKS BACKUP POWER FOR AT LEAST ONE WATER SOURCE	25		
DS001	45 FAILURE ADDRESS DEFICIENCY (GWR)			50
	Total = 50			50

Willow Creek has signed a Bilateral Compliance Agreement which has silenced the 25 points for the back-up power, although the Failure to Address Deficiency remains until the project has been completed and they are in compliance.

CONTACT INFORMATION:

APPLICANT:

Willow Creek Water Company
14005 N 400 W
Beaver Dam, Utah 84306
435-731-9265

**PRESIDING OFFICIAL &
CONTACT PERSON:**

Troy Cooper
Vice President
8045 W 1900 N
Petersboro, Utah 84325
435-557-1901
Troyacooper2@gmail.com

CONSULTING ENGINEER:

Eric Dursteler
Forsgren & Associates
95 W 100 S ste 115
Logan, Utah 84321
435-227-0333
edursteler@forsgren.com

RECORDER:

Craig Veibell
435-452-1907

BOND COUNSEL:

DRINKING WATER BOARD FINANCIAL ASSISTANCE EVALUATION

SYSTEM NAME: Willow Creek Water Company
 COUNTY: Box Elder
 PROJECT DESCRIPTION: Generator, meters, mixer

FUNDING SOURCE: Federal SRF

100 % Loan & 0 % P.F.

ESTIMATED POPULATION:	260	NO. OF CONNECTIONS:	67 *	SYSTEM RATING:	APPROVED
CURRENT AVG WATER BILL:	\$82.94 *			PROJECT TOTAL:	\$226,000
CURRENT % OF AGI:	1.77%	FINANCIAL PTS:	24	LOAN AMOUNT:	\$226,000
ESTIMATED MEDIAN AGI:	\$56,100			PRINC. FORGIVE.:	\$0
STATE AGI:	\$48,000			TOTAL REQUEST:	\$226,000
SYSTEM % OF STATE AGI:	117%				

	@ ZERO % RATE	\$226,000 FULL LOAN 3.51%		AFTER REPAYMENT PENALTY & POINTS
<u>SYSTEM</u>				1.00%
ASSUMED LENGTH OF DEBT, YRS:	25	20		25
ASSUMED NET EFFECTIVE INT. RATE:	0.00%	3.51%		1.00%
REQUIRED DEBT SERVICE:	\$9,040.00	\$15,916.00		\$10,261.93
*PARTIAL COVERAGE (15%):	\$0.00	\$0.00		\$0.00
*ADD. COVERAGE AND RESERVE (10%):	\$904.00	\$1,591.60		\$1,026.19
ANNUAL NEW DEBT PER CONNECTION:	\$148.42	\$261.31		\$168.48
 O & M + FUNDED DEPRECIATION:	 \$47,414.00	 \$47,414.00		 \$47,414.00
OTHER DEBT + COVERAGE:	\$10,000.00	\$10,000.00		\$10,000.00
REPLACEMENT RESERVE ACCOUNT:	\$3,222.70	\$3,566.50		\$3,283.80
ANNUAL EXPENSES PER CONNECTION:	\$905.03	\$910.16		\$905.94
 TOTAL SYSTEM EXPENSES	 \$70,580.70	 \$78,488.09		 \$71,985.92
TAX REVENUE:	\$0.00	\$0.00		\$0.00
 <u>RESIDENCE</u>				
MONTHLY NEEDED WATER BILL:	\$87.79	\$97.62		\$89.53
 % OF ADJUSTED GROSS INCOME:	 1.88%	 2.09%		 1.92%

\$0.00

Agenda Item 9(B)(i)

DRINKING WATER BOARD PACKET
(to begin rulemaking)

PROPOSAL:

The Division of Drinking Water proposes that the board repeal and reenact R309-405, Compliance and Enforcement: Administrative Penalty, to incorporate revisions made to the Utah Safe Drinking Water Act in 2020 concerning the director's authority to issue and enforce notices of violation and administrative orders and assess administrative penalties.

The proposed rule is an entirely new version of R309-405 to be reenacted in place of the current rule, which would be repealed. The new rule references the procedures that the director must follow when issuing notices of violation and administrative orders and the adjudication rights available to the recipients of those actions. It enumerates the administrative penalty limits for a violation of the Safe Drinking Water Act, Title R309 of the Administrative Code; and an order, permit, or administrative authorization issued by the Director. The rule also sets forth the procedure that the director must follow when proposing and assessing administrative penalties and the rights available to the recipient of a proposed penalty.

HISTORY/CONTEXT:

In 2020, Senate Bill SB0088 was passed by the legislature and signed by the governor. In part, the bill made revisions to Utah Code 19-4, the Safe Drinking Water Act, which authorized the director to make rules to issue and enforce notices and violations and to assess administrative penalties for violations of the Safe Drinking Water Act, Title R309 of the Administrative Code; and an order, permit, or administrative authorization issued by the director. The bill also established administrative penalty limits.

DIVISION STAFF/DIRECTOR RECOMMENDATION:

The division recommends that the board authorize the division to begin rulemaking to repeal and reenact R309-405 by filing the proposed rule with the state Office of Administrative Rules.

IMPLEMENTATION SCHEDULE:

- File Rule with Office of Administrative Rules – 1/15/2020
- Publication of Proposed Rule in Utah Bulletin and Start of 30-Day Comment Period – 2/1/2020
- End of 30-Day Comment Period – 3/3/2020
- Return to the Drinking Water Board to Adopt the Rule – after 3/3/2020

COST ESTIMATE:

The division has determined that the proposed repeal and reenactment of R309-405 will have no cost or savings to the state budget. It will provide no savings to local governments, small

businesses, non-small businesses, and other persons but could have a minor, unquantifiable cost to an entity that operates a public water system that is assessed an administrative penalty for a violation of drinking water requirements. The cost, however, may be avoided by maintaining compliance with state public drinking water requirements

1. This Cover Sheet
2. Notice of Proposed Rule Amendment (DAR Form / complete)
3. Marked up (redlined) rule with page numbers at bottom

State of Utah
Administrative Rule Analysis
Revised May 2020

NOTICE OF PROPOSED RULE		
TYPE OF RULE: New ____; Amendment ____; Repeal ____; Repeal and Reenact <input checked="" type="checkbox"/>		
Title No. - Rule No. - Section No.		
Utah Admin. Code Ref (R no.):	R309-405	Filing No. (Office Use Only)
Changed to Admin. Code Ref. (R no.):	R	

Agency Information

1. Department:	Environmental Quality	
Agency:	Division of Drinking Water	
Room no.:		
Building:	MASOB	
Street address:	195 North 1950 West	
City, state:	Salt Lake City, UT	
Mailing address:	P.O. Box 144830	
City, state, zip:	Salt Lake City, UT 84114-4830	
Contact person(s):		
Name:	Phone:	Email:
Jennifer Yee	(385) 515-1501	jyee@utah.gov
Mark Berger	(801) 641-6457	mberger@utah.gov
Please address questions regarding information on this notice to the agency.		

General Information

2. Rule or section catchline:
Compliance and Enforcement: Administrative Penalty.
3. Purpose of the new rule or reason for the change (If this is a new rule, what is the purpose of the rule? If this is an amendment, repeal, or repeal and reenact, what is the reason for the filing?):
R309-405 is being updated to incorporate revisions made to the Utah State Drinking Water Act in 2020 concerning the Director of the Division of Drinking Water's authority to issue and enforce notices of violation and administrative orders and assess administrative penalties.
4. Summary of the new rule or change:
In 2020, Senate Bill SB0088, which was passed by the legislature and signed by the governor, authorized the Director of the Division of Drinking Water to make rules to issue and enforce a notice of violation and an administrative order and to assess and make a demand for payment of an administrative penalty for a violation of the Safe Drinking Water Act; Title R309 of the Administrative Code; and an order, permit, or administrative authorization issued by the director. The bill also established administrative penalty limits. Changes to R309-405 incorporate those changes into the rule by repealing the current rule and reenacting a rewritten rule in its place.

Fiscal Information

5. Aggregate anticipated cost or savings to:
A) State budget:
Changes to R309-405 are anticipated to have no cost or savings to the state budget. The state General Fund, however, would benefit from any administrative penalties collected by the Division of Drinking Water under the terms of the rule.

B) Local governments:

Changes to R309-405 are anticipated to have no savings to local governments. The changes could have minor, unquantifiable costs to a local government, which operates a public water system that is assessed an administrative penalty for violation of state drinking water requirements. All costs could be avoided by maintaining compliance with state public drinking water requirements.

C) Small businesses ("small business" means a business employing 1-49 persons):

Changes to R309-405 are anticipated to have no savings to small businesses. The changes could have minor, unquantifiable costs to a small business, which operates a public water system that is assessed an administrative penalty for violation of state drinking water requirements. All costs could be avoided by maintaining compliance with state public drinking water requirements.

D) Non-small businesses ("non-small business" means a business employing 50 or more persons):

Changes to R309-405 are anticipated to have no savings to non-small businesses. The changes could have minor, unquantifiable costs to a non-small business, which operates a public water system that is assessed an administrative penalty for violation of state drinking water requirements. All costs could be avoided by maintaining compliance with state public drinking water requirements.

E) Persons other than small businesses, non-small businesses, state, or local government entities ("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an **agency**):

Changes to R309-405 are anticipated to have no savings to persons other than small businesses, non-small businesses, state, or local governmental entities. The changes could have minor, unquantifiable costs to a person, who operates a public water system that is assessed an administrative penalty for violation of state drinking water requirements. All costs could be avoided by maintaining compliance with state public drinking water requirements.

F) Compliance costs for affected persons:

Changes to R309-405 are anticipated to have small to no compliance costs for affected persons. Affected persons would be public water systems and their customers. The changes would only have a relatively small, unquantifiable cost to a public water system and its customers that were assessed an administrative penalty for violation of state drinking water requirements. All costs could be avoided by maintaining compliance with state public drinking water requirements.

G) Regulatory Impact Summary Table (This table only includes fiscal impacts that could be measured. If there are inestimable fiscal impacts, they will not be included in this table. Inestimable impacts will be included in narratives above.)

Regulatory Impact Table			
Fiscal Cost	FY2021	FY2022	FY2023
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Cost	\$0	\$0	\$0
Fiscal Benefits			
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Benefits	\$0	\$0	\$0
Net Fiscal Benefits	\$0	\$0	\$0

H) Department head approval of regulatory impact analysis:

Include Department head sign-off here. This is separate from the Department Head Comments and should be a simple statement such as, "The head of department of X, Jo Smith, has reviewed and approved this fiscal analysis."

6. A) Comments by the department head on the fiscal impact this rule may have on businesses:

B) Name and title of department head commenting on the fiscal impacts:

Citation Information

7. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws. State code or constitution citations (required):

UC 19-4-104, -105, -106(4), & -109

Incorporations by Reference Information

(If this rule incorporates more than two items by reference, please include additional tables.)

8. A) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

	First Incorporation
Official Title of Materials Incorporated (from title page)	
Publisher	
Date Issued	
Issue, or version	

B) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

	Second Incorporation
Official Title of Materials Incorporated (from title page)	
Publisher	
Date Issued	
Issue, or version	

Public Notice Information

9. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until (mm/dd/yyyy):

B) A public hearing (optional) will be held:

On (mm/dd/yyyy):

At (hh:mm AM/PM):

At (place):

10. This rule change MAY become effective on (mm/dd/yyyy):	
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NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After the date designated in Box 10, the agency must submit a Notice of Effective Date to the Office of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Agency Authorization Information

To the agency: Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the *Utah State Bulletin*, and delaying the first possible effective date.

Agency head or designee, and title:	Ying-Ying Macauley, Interim Director, Division of Drinking Water
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Date (mm/dd/yyyy):	
------------------------------	--

1 **R309. Environmental Quality, Drinking Water.**

2 **R309-405. Compliance and Enforcement: Administrative Penalty.**

3 **~~R309-405-1. Authority.~~**

4 ~~Utah Code Annotated, Sections 19-4-104 and 19-4-109~~

6 **~~R309-405-2. Purpose, Scope, and Applicability.~~**

7 ~~(1) This rule sets the criteria and procedures the Director~~
8 ~~will use in assessing penalties to public drinking water systems~~
9 ~~for violation of its rules.~~

10 ~~(2) This guidance and ensuing criteria is intended to be~~
11 ~~flexible and liberally construed to achieve a fair, just, and~~
12 ~~equitable result with the intent of returning a public water system~~
13 ~~to compliance.~~

14 ~~(3) This rule is applicable to all public drinking water~~
15 ~~systems.~~

17 **~~R309-405-3. Limits on Authority and Liability.~~**

18 ~~Nothing in this rule should be construed to limit the~~
19 ~~Director's ability to take enforcement actions under Utah Code~~
20 ~~Annotated, Section 19-4-109.~~

22 **~~R309-405-4. Assessment of a Penalty and Calculation of Settlement~~**
23 **~~Amounts.~~**

24 ~~(1) Where the Director determines that a penalty may be~~
25 ~~appropriate, the Director shall propose a penalty amount by sending~~
26 ~~a notice of agency action to the public water system. The notice of~~
27 ~~agency action shall provide that the public water system may submit~~
28 ~~comments and/or information on the proposed penalty to the Director~~
29 ~~within 30 days. The criteria the Director will use in establishing~~
30 ~~a proposed penalty amount shall be as follows:~~

31 ~~(a) Major Violations: \$600 to \$1000 per day for each day of~~
32 ~~violation. This category includes violations with high potential~~
33 ~~for impact on drinking water users, major deviations from the~~
34 ~~requirements of the rules or Safe Drinking Water Act, intentional~~
35 ~~fraud, falsification of data, violations which result in a public~~
36 ~~water system being considered by the Environmental Protection Agency~~
37 ~~to be: "Significant Non-Compliers" (SNC), or violations that may~~
38 ~~have a substantial adverse effect on the regulatory program.~~
39 ~~Specific violations that are subject to a major violation category~~
40 ~~can include the following:~~

41 ~~(i) Violations subject to \$1000 per day penalty:~~

42 ~~(A) Any violation defined by R309-220-5 which would trigger a~~
43 ~~Tier 1 public notification.~~

44 ~~(B) Not having any elements of a source protection plan as~~
45 ~~required in R309-600 for ground water sources and R309-605 for~~
46 ~~surface water sources.~~

~~—— (C) Failure to respond to an Administrative Order issued by the Director.~~

~~—— (D) Introduction by the water system of a source water that has not been evaluated and approved for use as a public drinking water source under R309-515.~~

~~—— (E) Construction or use of an interconnection to another public water system which has not been reviewed and approved in accordance with R309-550-9.~~

~~—— (F) Having over 20 IPS points (Improvement Priority System points based on R309-400, the Water System Rating Criteria) specifically for operating pressures below that required by R309-105-9.~~

~~—— (G) Having 50 IPS points specifically for an inadequate well seal as required in R309-515.~~

~~—— (H) Having over 50 IPS points (not including the deficiencies in (F) and (G) above) specifically assessed in the physical facility section of an IPS report.~~

~~—— (I) Use of a surface water source without proper filtration treatment in accordance with R309-525 or 530.~~

~~—— (J) Exceeding the rated water treatment plant capacity as determined by review under R309-525 or 530.~~

~~—— (K) Insufficient disinfection contact time as evaluated under R309-215-7.~~

~~—— (ii) Violations subject to \$800 per day penalty:~~

~~—— (A) Not having any of the required components of a cross connection control program in place as required by R309-105-12.~~

~~—— (B) Any violation of the turbidity requirements outlined in R309-215-9(4) (b) (iii -iv) for individual filter turbidities using consecutive readings taken 15 minutes apart.~~

~~—— (b) Moderate Violations: \$400 to \$600 per day for each day of violation. This category includes violations with a moderate potential for impact on drinking water users, moderate deviations from the requirements of the rules or Safe Drinking Water Act with some requirements implemented as intended, or violations that may have a significant notable adverse effect on the regulatory program. Specific violations that are subject to a moderate violation category can include the following:~~

~~—— (i) Violations subject to \$600 penalty:~~

~~—— (A) Any violation defined by R309-220-6 which would trigger a Tier 2 public notification.~~

~~—— (B) Having a disapproved status on a source protection plan (R309-600 and 605) for a period longer than 90 days.~~

~~—— (C) Installation or use of disinfection equipment that has not been evaluated and approved for use under R309-520.~~

~~—— (D) Having measured turbidity spikes of greater than 0.5 or 1.0 NTU in two consecutive fifteen minute readings as defined in~~

~~R309-215-9(4)(b)(i) or (ii) respectively.~~

~~—— (E) Insufficient source capacity, storage capacity, or delivery capacity as established by review of the system design under R309-500 through 550.~~

~~—— (F) Not complying with plan approval requirements as set forth in R309-500. The term infrastructure can include the disinfection process, surface water treatment process, and physical facilities such as water treatment plants, storage reservoirs, sources and distribution piping.~~

~~—— (c) Minor Violations: Up to \$400 per day for each day of violation. This category includes violations with a minor potential for impact on drinking water users, slight deviations from the rules or Act with most of the requirements implemented, or violations that may have a minor adverse effect on the regulatory program. Specific violations that are subject to a minor violation category can include the following:~~

~~—— (i) Violations subject to \$400 per day penalty:~~

~~—— (A) Any violation defined by R309-220-7 which would trigger a Tier 3 public notification or a violation of the monitoring requirements of R309-515-4(5), except for turbidity monitoring for surface water treatment facilities and violations termed as minor monitoring as outlined in R309-400-3 (minor bacteriological routine monitoring violation, minor bacteriological repeat monitoring violation and minor chemical monitoring violation).~~

~~—— (B) Failure to upgrade a Preliminary Evaluation Report for a source protection plan as required in R309-600 and 605.~~

~~—— (C) Failure to update a source protection plan as required in R309-600 and 605.~~

~~—— (D) Construction or use of a storage reservoir that has not been evaluated for use under R309-545.~~

~~—— (ii) Violations subject to \$200 per day penalty:~~

~~—— (A) Lacking individual components of a cross connection control program as required by R309-105-12.~~

~~—— (B) Not having a certified operator on staff as required in R309-300-5(10) after 1 year or 4 operator certification exam cycles.~~

~~—— (C) Any minor monitoring violation as defined by R309-400-3 (minor bacteriological routine monitoring violation, minor bacteriological repeat monitoring violation and minor chemical monitoring violation).~~

~~—— (D) Any violation of the turbidity requirements outlined in R309-215-9(4)(b)(i-ii) for individual filter turbidities using consecutive readings taken 15 minutes apart.~~

~~—— (2) The Director will assess the penalty, if any, after reviewing information submitted by the public water system. The public water system may appeal the assessment of the penalty as provided in R305-7-302.~~

~~R309-405-5. Factors for Seeking or Negotiating Amount of Penalties.~~

~~_____ The Director, in assessing the penalty, may take into account the following factors:~~

~~_____ (1) Economic benefit. The costs a person or organization may save by delaying or avoiding compliance with applicable laws or rules.~~

~~_____ (2) Gravity of the violation. This component of the calculation shall be based on:~~

~~_____ (a) The extent of deviation from the rules;~~

~~_____ (b) The potential for harm to drinking water users, regardless of the extent of harm that actually occurred;~~

~~_____ (c) The degree of cooperation or noncooperation and good faith efforts to comply. Good faith takes into account the openness in dealing with the violations, promptness in correction of problems, and the degree of cooperation with the State;~~

~~_____ (d) History of compliance or noncompliance. The penalty amount may be adjusted upward in consideration of previous violations and the degree of recidivism. Likewise, the penalty amount may be adjusted downward when it is shown that the violator has a good compliance record; and,~~

~~_____ (e) Degree of willfulness or negligence. Factors to be considered include how much control the violator had over the violation and the foreseeability of the events constituting the violation, whether the violator made or could have made reasonable efforts to prevent the violation, whether the violator knew, or should have known, of the legal requirements which were violated, and degree of recalcitrance.~~

~~_____ (3) The number of days of non compliance~~

~~_____ (4) Public sensitivity. The actual impact of the violation(s) that occurred.~~

~~_____ (5) Response and investigation costs incurred by the State and others.~~

~~_____ (6) The possible deterrent effect of a penalty to prevent future violations.~~

~~R309-405-6. Satisfaction of Penalty Under Stipulated Penalty Agreement.~~

~~_____ The Director may accept the following methods of payment or satisfaction of a penalty to promote compliance and to achieve the purposes set forth in Utah Code Annotated Section 19-4-109:~~

~~_____ (1) Payment of the penalty may be extended based on a person or organization's inability to pay. This shall be distinguished from an unwillingness to pay. In cases of financial hardship, the Director may accept payment of the penalty under an installment plan or delayed payment schedule with interest.~~

~~(2) In circumstances where there is a demonstrated financial hardship, the Director may allow a portion of the penalty to be deferred and eventually waived if no further violations are committed within a period designated by the Director.~~

~~(3) In some cases, the Director may allow the violator to satisfy the penalty by completing a Supplemental Environmental Project (SEP) approved by the Director. The following criteria shall be used in determining the eligibility of such projects:~~

~~(a) The project must be in addition to all regulatory compliance obligations;~~

~~(b) The project must relate to some or all of the issues of the violation;~~

~~(c) The project must primarily benefit the drinking water users;~~

~~(d) The project must be defined, measurable and have a beginning and ending date;~~

~~(e) The project must be agreed to in writing between the public water system and the Director;~~

~~(f) The project must not generate the public perception favoring violations of the laws and rules.~~

~~R309-405-7. Penalty Policy for Civil Proceedings.~~

~~Pursuant to Utah Code Annotated Section 19-4-109(2)(b), any person who willfully violates any rule or order made or issued pursuant to the Utah Safe Drinking Water Act, Utah Code Annotated Section 19-4-101 et seq, is subject to a civil penalty of not more than \$5000 per day for each day of violation. The Director shall apply the provisions of R309-405-4, 5, and 6 in pursuing or resolving willful violations except that the penalty range per day for each day of violation for major violations shall be \$3000 to \$5000, for moderate violations shall be \$2000 to \$3000, and for minor violations shall be up to \$2000.~~

219 **R309-405-1. Purpose, Scope, and Applicability.**

220 (1) The Division's enforcement program protects public health
221 by ensuring compliance with the Safe Drinking Water Act, rules
222 promulgated by the Board, and valid administrative orders issued
223 by the Director.

224 (2) Rule R309-405 sets the procedures, criteria, and factors
225 that apply to the assessment and settlement of formal
226 administrative penalties against public drinking water system
227 suppliers for violation of the Safe Drinking Water Act, Sections
228 19-4-101 et seq., rules promulgated by the Board, or orders issued
229 by the Director under the Safe Drinking Water Act.

230 (3) Rule R309-405 applies to all public drinking water systems
231 and suppliers under the Safe Drinking Water Act.

232
233 **R309-405-2. Authority.**

234 Sections 19-4-104, 19-4-105, 19-4-106(4), and 19-4-109.

235
236 **R309-405-3. Definitions.**

237 The following additional definitions apply to Rule R309-405:

238 (1) "Administrative order" means any form of order issued by
239 the Director under the Safe Drinking Water Act that requires the
240 supplier to take an action or refrain from taking an action.
241 Administrative orders include any order variations, including
242 Compliance Agreement/Enforcement Order, Stipulated Consent Order,
243 Initial New System Order, and any form of unilateral order.

244 (2) "Administrative penalties" are monetary sanctions imposed
245 by the Director pursuant to Section 19-1-109 arising from
246 violations of the Safe Drinking Water Act, rules promulgated by
247 the Board, or lawful orders issued by the Director.

248 (3) "Formal enforcement" is an action initiated by the
249 Director that is intended to result in an enforceable order or
250 final violation finding under either administrative or civil
251 (judicial) procedures.

252 (4) A "notice of agency action" is a notice issued by the
253 Director under Section 19-4-109(4) and the Utah Administrative
254 Procedures Act that initiates any type of formal enforcement action
255 that involves the assessment of administrative penalties. A notice
256 of agency action may include a notice of violation or an
257 administrative order in any combination where a penalty is being
258 sought in connection with the formal enforcement matter.

259 (5) A "notice of violation" is a written notice signed by the
260 Director under Section 19-4-107 stating the nature of the violation
261 of one or more legally-binding requirements. A notice of violation
262 may include an administrative order to correct the violation or
263 seek a variance by a specific date. A notice of violation may be
264 the only formal enforcement action taken or it may be used as a

basis for other enforcement actions.

(6) "Respondent" is the public water system supplier or other person who is the subject of the notice of violation, administrative order, or other form of formal enforcement under this rule.

R309-405-4. Formal Enforcement Introduction; No Limits on Authority and Remedies.

Section R309-405-4 addresses administrative procedures as they apply to formal enforcement actions.

(1) Formal enforcement actions are initiated by the Director through the issuance of a notice of violation or any form of administrative order, notice of agency action, or any combination of a notice of violation, administrative order, or notice of agency action.

(2) The Director may initiate and pursue formal enforcement through administrative procedures or through judicial procedures. In lieu of initiating formal enforcement through administrative procedures, the Director may initiate formal enforcement proceedings through judicial procedures in state court under Section 19-4-109(8). Final administrative orders may also be enforced in state court through judicial procedures.

(3) Administrative penalties are intended to emphasize the need for timely, meaningful, and lasting corrective actions and to deter future violations.

(4) Nothing in Rule R309-405 should be construed to limit the Director's enforcement discretion or right to pursue any administrative or judicial enforcement actions under the Safe Drinking Water Act.

R309-405-5. Formal Administrative Enforcement Actions and Assessment of Administrative Penalties.

Section R309-405-5 addresses formal enforcement actions and monetary penalties available to the Director through administrative procedures.

(1) Formal Administrative Enforcement Actions Seeking No Penalties.

(a) Whenever the Director issues, under the Safe Drinking Water Act, a notice of violation or administrative order, or a combined notice of violation and administrative order, that does not seek the imposition of administrative penalties, the procedures set forth in Section 19-1-301 and Rule R305-7 shall apply to the issuance and service of the notice of violation or administrative order, or combined notice of violation and order, and any adjudication arising from the issuance and service of the notice of violation or administrative order (or combined notice of

violation and administrative order).

(2) Formal Administrative Enforcement Actions Seeking Penalties.

(a) Whenever the Director issues, under the Safe Drinking Water Act, a notice of violation or administrative order (or a combined notice of violation and administrative order) that seeks the imposition of administrative penalties, the notice of agency action procedures set forth in Section 19-4-109 and Subsection R309-405-5(5) shall apply to the issuance and service of the notice of violation or administrative order, or combined notice of violation and administrative order, and any adjudication arising from the issuance and service of the notice of violation or administrative order, or combined notice of violation and administrative order.

(3) Violations of Administrative Orders.

(a) If the Director seeks the imposition of administrative penalties arising from the violation of an administrative order, the notice of agency action procedures set forth in Section 19-4-109 and Subsection R309-405-5(5) shall apply to the issuance and service of the notice of agency action and any adjudication arising from the issuance and service of the notice of agency action.

(b) The Director may seek judicial enforcement or the imposition of administrative penalties arising from the violation of an administrative order issued under the Safe Drinking Water Act without first issuing a notice of violation.

(4) Administrative Penalty Range.

(a) Any violation by a public water system serving a population of more than 10,000 individuals shall be subject to a penalty of exactly \$1,000 on a per day, per violation basis.

(b) Any violation by a public water system serving a population of less than 10,000 individuals shall be subject to a penalty not to exceed \$1,000 on a per day, per violation basis, based on the criteria described in Section R309-405-6.

(5) Administrative Penalty Assessment, Payment, and Collection Procedures; Adjudications and Appeals.

(a) Prior to assessing administrative penalties under the Safe Drinking Water Act and Rule R309-405, the Director shall provide the respondent with a written Notice of Proposed Assessment of Administrative Penalties, in accordance with Section R305-7-402, and provide the respondent with the opportunity of no less than 30 calendar days to submit comments to the Director relating to the proposed penalties. The comments may include evidence of mitigating circumstances the respondent desires the Director to consider prior to assessing penalties.

(b) After considering any timely comments or evidence submitted by the respondent, the Director may decline to assess

administrative penalties by providing notice to the respondent. If, after considering timely comments and evidence submitted by the respondent, the Director makes the decision to pursue the assessment of penalties, the Director shall proceed as follows:

(i) The Director shall issue a Notice of Agency Action and Demand for Payment in accordance with Section 19-4-109 and Title 63G, Chapter 4, Administrative Procedures Act, providing a detailed statement of basis for the assessed penalty, including the Director's evaluation of any comments or evidence submitted by the respondent during the comment period.

(ii) The Notice of Agency Action and Demand for Payment shall include notice of the right to a formal adjudicative proceeding in accordance with Subsection 63G-4-201(2)(a)(vi) by filing a written response within 30 days of the mailing date of the Notice of Agency Action and Demand for Payment. The adjudication of administrative penalties shall be conducted as a formal adjudication.

(iii) If the respondent does not request an adjudicative proceeding, payment of administrative penalties shall be due within 30 days of the date of issuance of the Notice of Agency Action and Demand for Payment.

(iv) If the respondent files a timely written response to the Notice of Agency Action and Demand for Payment pursuant to Section 63G-4-204, the following procedures shall apply:

(A) The Director, serving as the presiding officer, shall conduct a formal adjudication pursuant to Title 63G, Chapter 4, Administrative Procedures Act.

(B) At the conclusion of the formal adjudicative proceeding, the Director shall issue a final order of the adjudicative proceeding, pursuant to Section 63G-4-208, as the final agency action regarding the assessment of administrative penalties.

(C) The final order of the adjudicative proceeding shall be subject to judicial review pursuant to Section 63G-4-403.

(6) Settlement.

(a) At any time during a notice of violation, administrative order, or penalty assessment or adjudication process, the Director may compromise or settle administrative penalties in accordance with Section 19-4-109(3), except that settlements that require the payment of penalties in excess of \$25,000 require Board approval under Subsection 19-4-104(1)(c)(vii).

(b) The Director's authority to compromise or settle administrative penalties includes providing payment terms and extensions of time, at the discretion of the Director.

R309-405-6. Factors for Determining Amount of Penalties.

The Director, in assessing or setting any administrative penalty (or in settling any claim for civil penalty), and the

Board, in reviewing an administrative penalty settlement under Subsection 19-4-104(1)(c)(vii), may evaluate the following factors in determining the appropriate amount of the penalty:

(1) Economic benefit. The costs a person or organization may save by delaying or avoiding compliance with applicable laws or rules.

(2) Gravity of the violation. This component of the calculation shall be based on:

(a) the extent of deviation from the Utah Safe Drinking Water Act or the rules;

(b) the potential for harm to drinking water users, regardless of the extent of harm that in fact occurred; and

(c) the degree of willfulness, recklessness, or negligence including how much control the respondent had over the violation and the reasonable foreseeability of the events constituting the violation; whether the respondent made or could have made reasonable efforts to prevent the violation; whether the respondent knew, or should have known, of the legal requirements which were violated; any facts suggesting that the violation was intentional; and the degree of the respondent's recalcitrance.

(3) The duration of non-compliance.

(4) Self-disclosure of non-compliance by the water supplier.

(5) The degree of cooperation and good faith efforts to comply. Good faith takes into account the openness in dealing with the violations and promptness in providing notice, correcting violations, and avoiding potential public harm.

(6) By contrast with Subparagraph R309-405-6(5), the degree of recalcitrance, non-cooperation, or delay associated with providing notice and appropriate responses to the violations.

(7) History of compliance or non-compliance. The penalty amount may be adjusted upward in consideration of previous violations and the degree of recidivism. Likewise, the penalty amount may be adjusted downward when it is shown that the respondent has a good compliance record.

(8) Response and investigation costs incurred by the state and others.

(9) The possible deterrent effect of a penalty to prevent future violations by the respondent or other suppliers.

(10) The respondent's financial structure, revenue sources to pay penalties, financial capabilities, and ability to pay or demonstrated inability to pay.

(11) Any other aggravating or mitigating circumstances that are relevant to the matter.

R309-405-7. Financial Hardship; Penalty Adjustments.

Based on demonstrated financial hardship not previously

considered under Section R309-405-6, the Director may:
(1) reduce or extend payment of an administrative penalty under the Safe Drinking Water Act and this rule; or
(2) approve a payment installment plan or allow a portion of the penalty to be deferred and eventually waived if no further violations are committed within a period designated by the Director.

KEY: drinking water, environmental protection, penalties
Date of Enactment or Last Substantive Amendment: October 12, 2013
Notice of Continuation: March 13, 2015
Authorizing, and Implemented or Interpreted Law: 19-4-104

Agenda Item

10

DRINKING WATER BOARD PACKET

Approval of the Sandy City Stipulated Consent Order

BACKGROUND

In February 2019 an excessive amount of hydrofluorosilicic acid (HFSA) was released into Sandy City's distribution system from the Paradise Valley Well fluoride facility. On February 7, 2019, Sandy City discovered the HFSA release after receiving complaints of bad taste and illness reports from water users. The primary maximum contaminant level (MCL) in drinking water is 4 mg/L for fluoride (R309-200-5(9)). Fluoride also has a secondary MCL at 2 mg/L (R309-200-6), which is associated with a public notice requirement (R309-220(5)). A water sample collected in Sandy City's distribution system showed a fluoride level of 151.5 mg/L, exceeding the primary MCL of 4 mg/L.

Initially, the Division of Drinking Water (Division) issued an Administrative Order (AO) to Sandy City on March 4, 2019, for the fluoride overfeed incident. The Division issued an amended AO on February 11, 2020. In December 2020, the Division and Sandy City began discussion to find an enforcement solution to avoid further time and money expenditures related to the legal adjudication of the amended AO. The proposed solution is to enter into a stipulated consent order, which will replace the existing amended AO. This proposed stipulated consent order requires review and approval by the Drinking Water Board per state statute 19-4-104(1)(c)(vii) because the total agreed amount is greater than \$25,000.

Enclosed with the board packet are the following documents:

1. The Stipulation and Consent Order signed by Sandy City;
2. The Division's Statement of Basis explaining background information and rationales; and
3. Penalty and cost calculation tables showing two amounts to be paid by Sandy City: (1) a penalty of \$20,000 associated with violations and (2) an administrative cost recovery of \$17,200.

Division Interim Director, Ying-Ying Macauley, and Utah Assistant Attorney General, Bret Randall, will present the Stipulation and Consent Order for the Board's approval. Sandy City staff will be present at the meeting to answer questions or provide clarifying feedback as needed.

DIVISION STAFF/DIRECTOR RECOMMENDATION

The Division recommends that the Board approves the proposed Sandy City Stipulation and Consent Order, which will replace the existing Amended Administrative Order.

<p>In the Matter of:</p> <p>Sandy City Water System</p>	<p>STIPULATION AND CONSENT ORDER</p> <p>Docket No. UTAH18028-2019-01-NOVAO</p>
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I. JURISDICTION AND PARTIES

1. This Stipulation and Consent Order (“SCO”) is made and entered into pursuant to the authority vested in the Director of the Division of Drinking Water under the Safe Drinking Water Act (the “Act”), Utah Code § 19-4-101, *et seq.* More specifically, the Director has jurisdiction to compromise and settle claims for administrative penalties pursuant to Utah Code § 19-4-109(3) and to issue administrative orders pursuant to Utah Code § 19-4-106(2)(d)(iii).
2. This SCO is made and entered into by the Director and Sandy City, a municipality and political subdivision of the State of Utah.
3. Because this SCO will result in a total payment in excess of \$25,000, the parties have determined that it would be appropriate to present this SCO to the Drinking Water Board for approval or disapproval, pursuant to Utah Code § 19-4-104(1)(c)(vii).

II. FINDINGS AND CONCLUSIONS

4. Sandy City is a “person” as defined in Utah Code § 19-1-103(4). Sandy City operates a “public water system” (the “System”) within the meaning of Utah Code § 19-4-102(8) and is a “supplier” within the meaning of Utah Code § 19-4-102(10). Sandy City is subject to all applicable provisions of the Act and the Utah Public Drinking Water Rules promulgated by the Board pursuant to the Act.
5. The System is a community type water system serving approximately 100,000 persons. On February 5, 2019, a chemical overfeed event occurred that resulted in the accidental release of hydrofluorosilicic acid into a portion of the System (the “Incident”).
6. On March 4, 2019, the Director signed an Issuance of Violations and Administrative Order (“NOV/AO”) in the above-referenced matter relating to the Incident. On May 29, 2019, Sandy City filed a timely Request for Agency Action (“RFAA”) to initiate an adjudication of the NOV/AO pursuant to Utah Code § 19-1-301 and Utah Admin. Code R305-7 (the “Adjudication”). On August 14, 2019, Sandy City filed an Amended Request for Agency Action. Pursuant to order of the Administrative Law Judge in the Adjudication, on February 11, 2020, the Director issued an Amended Notice of Violation and Administrative Order (“ANOV/AO”). Pursuant to Rule 15 of the Utah Rules of Civil Procedure, the ANOV/AO relates back to March 4, 2019. However, the ANOV/AO did not alter the Order elements of the NOV/AO. On February 24, 2020, Sandy City filed a Second Amended Request for Agency Action.

7. At all times since the date of issuance of the NOV/AO, Sandy City has been in full or substantial compliance with the NOV/AO and the ANOV/AO. As of the Effective Date, Sandy City has fulfilled all order requirements of the NOV/AO and ANOV/AO, except that the following requirements (the "Continuing AO Requirements") are ongoing, until notified by the Director:
 - a. Item #5: Sandy City must continue to perform monitoring for lead and copper at an increased frequency (quarterly), until a reasonable date mutually agreed to by the parties.
 - b. Item #8: Sandy City must complete its corrosion control study (currently in progress and on schedule).
8. As to ANOV/AO Item #18, if Sandy City desires to utilize the Paradise Valley Well fluoridation facility in the future, it is required to obtain a new operating permit from the Director. As a result, this item falls outside the scope of this SCO.
9. ANOV/AO Items #19 and #20 relate to hypothetical, future administrative orders that the Director may issue. Any such future administrative orders fall outside the scope of this SCO and would be addressed through independent procedures.

III. STIPULATION AND CONSENT ORDER

10. The parties now wish to fully resolve the NOV/AO and the ANOV/AO, except for the Continuing AO Requirements, without further administrative or judicial proceedings.
11. In full settlement of the violations alleged and the AO requirements asserted in the NOV/AO and the ANOV/AO, except for the Continuing AO Requirements, Sandy City shall pay (i) an administrative penalty in the amount of \$20,000; and (ii) administrative cost reimbursement in the amount of \$17,200.
12. Within 30 days of the Effective Date (as defined below), Sandy City agrees as follows:
 - a. Sandy City shall pay a penalty in the sum of \$20,000, by check made payable to the Division of Drinking Water, delivered or mailed to Director, Division of Drinking Water, Department of Environmental Quality, P.O. Box 144880, Salt Lake City, Utah 84114-4880; and
 - b. Sandy City shall pay the sum of \$17,200 for administrative costs by check made payable to the Division of Drinking Water, delivered or mailed to Director, Division of Drinking Water, Department of Environmental Quality, P.O. Box 144880, Salt Lake City, Utah 84114-4880.

IV. EFFECT OF CONSENT ORDER; EFFECTIVE DATE

13. The Director and Sandy City recognize that this SCO has been negotiated in good faith and that by entering into this SCO, Sandy City does not admit, and retains the

right to controvert in any subsequent proceedings other than proceedings to implement or enforce this SCO, the validity of the matters addressed in this SCO. Sandy City agrees to comply with and be bound by the terms of this SCO and further agrees that it will not contest the basis or validity of this SCO or its terms.

14. Except as specifically provided in this SCO, this SCO resolves and supersedes the NOV/AO and the ANOV/AO and releases Sandy City from any liability and claims under the authority of the Act for administrative or civil penalties that may be sought by the Director, or past administrative or other response costs that may have been incurred by the Director, arising from the matters addressed in this SCO. Nothing in this SCO shall limit the authority of the Director to take, direct, or order all actions deemed necessary, in connection with any future violations of the Act, or the applicable Rules, to protect public health and welfare. Further, nothing in this SCO shall prevent the Director from seeking legal or equitable relief to enforce the terms of this SCO, including enforcement of the Continuing AO Requirements, or from taking other legal or equitable action as deemed appropriate and necessary in connection with any future violations of the Act. Further, nothing in this SSA shall prevent or limit Sandy City from pursuing any indemnification or other claims it may have against other entities or persons arising from or related to the Incident, the NOV/AO or the ANOV/AO, and Sandy City reserves all such rights.
15. As of the Effective Date, this SCO shall be a final administrative order subject to the civil enforcement provisions of Utah Code § 63G-4-501 and other applicable law, including Utah Code § 19-4-113.
16. The Effective Date shall be 30 days from the date that this SCO is executed by the Director.
17. The parties agree to file a Joint Stipulated Motion to Dismiss in the Adjudication within ten (10) days of the Effective Date based on the matters addressed in the Adjudication having been settled pursuant to this SCO. Each party agrees to bear their own attorney's fees and costs.

DIVISION OF DRINKING WATER

By: _____

Ying-Ying Macauley
Interim Director

Dated: _____



SANDY CITY

DocuSigned by:
By:  _____
Kurt Bradburn

Mayor

Dated: 12/23/2020 _____

Attest:

DocuSigned by:
 _____
BA47CAA2D08B489...
Charlie Cressall Deputy City Recorder

12/23/2020

Division of Drinking Water's Statement of Basis for Sandy City Stipulation and Consent Order

Violations

R309-405-4. Assessment of a Penalty and Calculation of Settlement Amounts.

R309-405-5. Factors for Seeking or Negotiating Amount of Penalties.

- R309-405-5(2)(b) Gravity - the potential for harm to drinking water users, regardless of the extent of harm that actually occurred.
- R309-405-5(4) Public sensitivity. The actual impact of the violation(s) that occurred.
- R309-405-5(5) Response and investigation costs incurred by the State and others.

1. Fluoride MCL Exceedance Violation

Penalty: **\$1000 per day** per R309-405-4(1)(a)(i)(A) **for 3 days**

Potential for Harm - Major

Violation type - 01

Violation description: MCL, Single (DS001)

An excessive amount of hydrofluorosilicic acid (HFSA) was released into Sandy City's distribution system from the Paradise Valley Well fluoride facility. HFSA at high concentration is acidic, is corrosive to metals, and can cause harm to water users. The primary maximum contaminant level (MCL) in drinking water is 4 mg/L for fluoride (R309-200-5). Fluoride also has a secondary MCL at 2 mg/L (R309-200-6), which is associated with a public notice requirement (R309-220-11).

On February 7, 2019, Sandy City discovered the HFSA release after receiving complaints of bad taste and illness reports from water users. Investigative water samples collected on February 7, 2019, from a site within Sandy City's distribution system showed a fluoride level of 151.5 mg/L, exceeding the primary MCL of 4 mg/L. This penalty has been assessed for the 3-day malfunction that exposed water users to possible hazards in their drinking water within the period of February 5, 2019 through February 8, 2019.

2. Fluoride MCL Exceedance Public Notice Violation

Penalty: **\$1000 per day** per R309-405-4(1)(a)(i)(A) **for 5 days**

Potential for Harm - Major

Violation type - MR

Violation Description: State Monitoring and Reporting (DS001)

The MCL violation of fluoride levels of this magnitude required a Tier 1 Public Notification, which requires public notice within 24 hours. On February 8, 2019, the Division required Sandy City to provide public notification to all drinking water users impacted. Sandy City altered the initially approved public notice language provided by DDW and distributed public notice on February 8, 2019.

On February 13, 2019, Sandy City decided to re-issue its public notice, conduct a reverse 911 public notification, and issue a press release to adequately provide notice to an

expanded area. The Division assessed Sandy City a violation for failing to properly notify drinking water users.

This penalty is assessed for the 5 days from February 8, 2019 through February 12, 2019 because the Sandy City water users were not adequately notified of the possible hazards in the drinking water.

**3. Failure to Provide Fluoride Sample Results to the Division of Drinking Water
\$1,000 per day per R309-405-4(1)(a)(i)(A) for 12 days**

Potential for Harm - Major

Violation type 09

Violation Description: Record Keeping (DS001)

Sandy City is assessed a record keeping violation for failing to provide certified fluoride results from samples collected on February 7, 2019, to the Division of Drinking Water until February 23, 2019. Sample results were requested by the Division on February 8, 2019, immediately after the Division was notified of the fluoride overfeed incident. The Division requested the fluoride results analyzed by a certified laboratory multiple times prior to receiving the lab report on February 23, 2019. This data was necessary for the Division and Sandy City personnel to take appropriate measures accordingly when responding to the emergency. For example, in this fluoride overfeed incident, the laboratory report also indicated a significant deviation from normal drinking water pH range. Had the pH data been made available in time, it would have affected the type and timing of the corrective actions taken.

It is a reasonable expectation for a water system to request expedited or rush analyses from a laboratory during an emergency response situation and, in this case, to have had laboratory sample results available by February 11, 2019. This penalty is assessed based on 12 days of violations for failure to provide the laboratory certified report to the Division between February 11 and February 22, 2019.

Administrative Cost Recovery

\$100 per hour per DEQ 2019 Fee Schedule for Special Consulting/Technical Assistance for 1,172 hours

The Division is seeking Administrative Cost Recovery for Division personnel time spent in response to the Sandy City fluoride overfeed incident. These hours have been categorized in two phases.

- Phase 1 represents an accumulation of hours the Division personnel accrued between February 8, 2019, and April 5, 2019, as time coded during the initial response to the Sandy City emergency incident. Division personnel spent a total of 635.5 hours responding to the incident during Phase 1. In Phase 1, Division personnel spent significant resources and worked overtime primarily in emergency response, tracking and analyzing sample results, compliance and enforcement related activities,

responding to numerous GRAMA requests and inquiries from the public, and technical assistance in numerous meetings.

- Phase 2 represents an accumulation of hours the Division personnel accrued between April 6, 2019, and January 31, 2020, as time coded in response to follow up ongoing requirements of the Administrative Order and technical assistance in studies related to the Sandy City fluoride overfeed incident. Division personnel spent a total of 536.5 hours related to Phase 2.

The Division calculated an administrative cost recovery totaling \$117,200. This was derived by multiplying the Special Consulting/Technical Assistance hourly rate of \$100 established in the Utah Department of Environmental Quality Fee Schedule by the number of hours Division personnel spent responding to the incident in Phases 1 & 2 (a total of 1,172 hours).

Basis for the Amounts in Stipulated Consent Order

The proposed stipulated consent order includes two amounts to be paid to the Division by Sandy City: (1) a penalty associated with violations and (2) an administrative cost recovery. A description of the two components and the factors considered for each can be found above. The basis of adjusting or not adjusting these amounts are described below.

1. Rationale for Violation Penalty Amount without Adjustment

The Division is assessing the maximum penalty amounts allowed by the statute for the three violations described above without adjustment. The Sandy City Paradise Valley Well fluoridation facility malfunction resulted in the highest reported fluoride MCL exceedance in any public water system in Utah. The maximum allowable amounts are being assessed due to the severity of the fluoride overfeed incident and the degree of possible risk to public health in the impacted zones caused by the violations of the maximum contaminant level (MCL) for fluoride and pH.

2. Rationale for Administrative Cost Recovery Amount with Adjustments

The Division is allowing credits toward the total administrative cost recovery amount due to the good faith efforts and significant resources put forth by Sandy City in remediating the incident, responding to the requirements of the Administrative Order issued on March 4, 2019, and continuing the efforts in proactively monitoring and sampling in its distribution system to protect public health and drinking water quality.

Specifically, the Division recognizes the value resulting from Sandy City's completion of a comprehensive investigation report, which satisfied item #17 in the AO, and expanding the corrosion control study to be beyond the required scope of item #9 in the AO.

- **Adjustment Based on the Completion of the Paradise Valley Well Fluoride Overfeed Investigation Report**

A credit in the amount of **\$50,000** toward the administrative cost recovery may be given to Sandy for the efforts and resources put forth in completing a comprehensive investigation of the fluoride overfeed incident by independent investigators. The investigation report identified the root cause of the chemical feeder malfunction, included detailed timeline and actions related to the incident, and provided recommendations for improving facility and operational practices. Sandy City made significant improvements to its operation and design of its fluoridation facilities based on the report recommendations. This report plays an important role in preventing future incidents and better protecting public health.

- **Adjustment Based on the Ongoing Expanded Corrosion Control Study**

Another credit in the amount of \$50,000 toward the administrative cost recovery may be given to Sandy City for the efforts and resources put forth in conducting a corrosion control study. Sandy City hired independent consultants to develop a corrosion control study. The scope of the final study plan has been expanded beyond the condition required in the Administrative Order to increase monitoring at residences in the impacted zones and at the City's water sources. Sandy City successfully increased the number of water user participations in the ongoing study. The high participation rate demonstrates a significant level of interest by residents, as well as an effective outreach campaign executed by the City. So far, monitoring results of the study indicate no evidence of ongoing or long-term lead and copper issues in the fluoride overfeed impacted area. In addition to demonstrating the quality of the drinking water to residents, the efforts of this study will help restore public trust.

UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY – DIVISION OF DRINKING WATER

Penalty Calculation

Water System: **Sandy City (UTAH18028)**

Violation Dates: **February 2019 Fluoride Overfeed in Sandy City's Distribution System**

Table 1: Penalty Calculation for Violations				
Citation	Description of the Violation	Base Penalty	Number of Days in Violation	Total
R309-200-5(1)	Fluoride MCL Exceedance (February 6 - 8, 2019)	\$ 1,000.00	3	\$ 3,000.00
R309-220-5	Tier 1 Public Notice (February 8 - 12, 2019)	\$ 1,000.00	5	\$ 5,000.00
R309-100-8	Reporting Violation for Fluoride MCL - Failure to report fluoride level during emergency event (February 11 - 22, 2019)	\$ 1,000.00	12	\$ 12,000.00
TOTAL PENALTY AMOUNT:				\$ 20,000.00

Administrative Cost Recovery Calculation

Water System: **Sandy City (UTAH18028)**

Incident: **February 2019 Fluoride Overfeed in Sandy City's Distribution System**

Table 1: Administrative Cost Recovery Calculation				
Category	Description	Cost (per hour)	Number of Hours	Total
Special Consulting/ Technical Assistance	Phase I: DDW personnel time spent on incident emergency response (February 8, 2019 - April 5, 2019)	\$100.00	635.50	\$ 63,550.00
Special Consulting/ Technical Assistance	Phase II: DDW personnel time spent on follow-up and ongoing monitoring (April 6, 2019 - January 31, 2020)	\$100.00	536.50	\$ 53,650.00
SUBTOTAL:				\$ 117,200.00

Table 2: Administrative Cost Recovery Adjustments		
Item	Description	Amount
Full Investigation Report	Credit for a portion of costs incurred by Sandy City Water System for the preparation of the Full Investigation Report	\$ (50,000.00)
Corrosion Study	Credit for a portion of costs incurred by Sandy City Water System related to preparing and conducting corrosion study	\$ (50,000.00)
SUBTOTAL:		\$ (100,000.00)

TOTAL ADMINISTRATIVE COST RECOVERY : [Administrative Cost Recovery + Adjustments]	\$ 17,200.00
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Agenda Item

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DRINKING WATER BOARD PACKET
Rural Water Association Report

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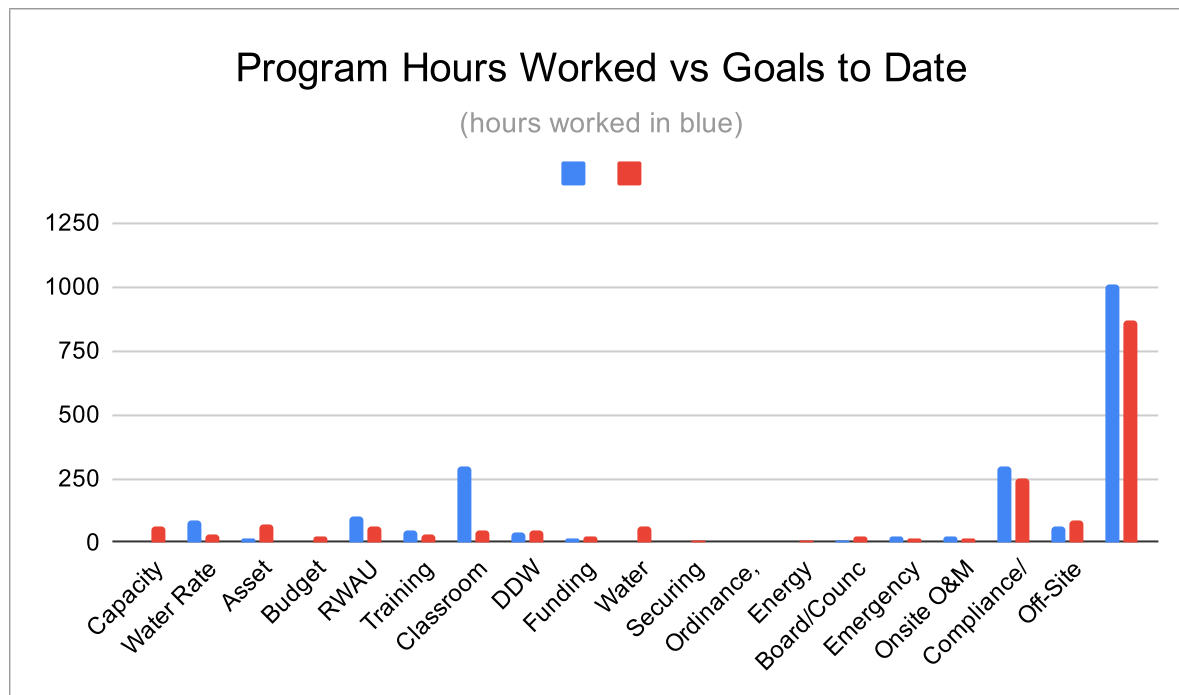
Curt Ludvigson – Management Technician.....6

Rural Water Association - DWB Report

Report Period: November, 2020

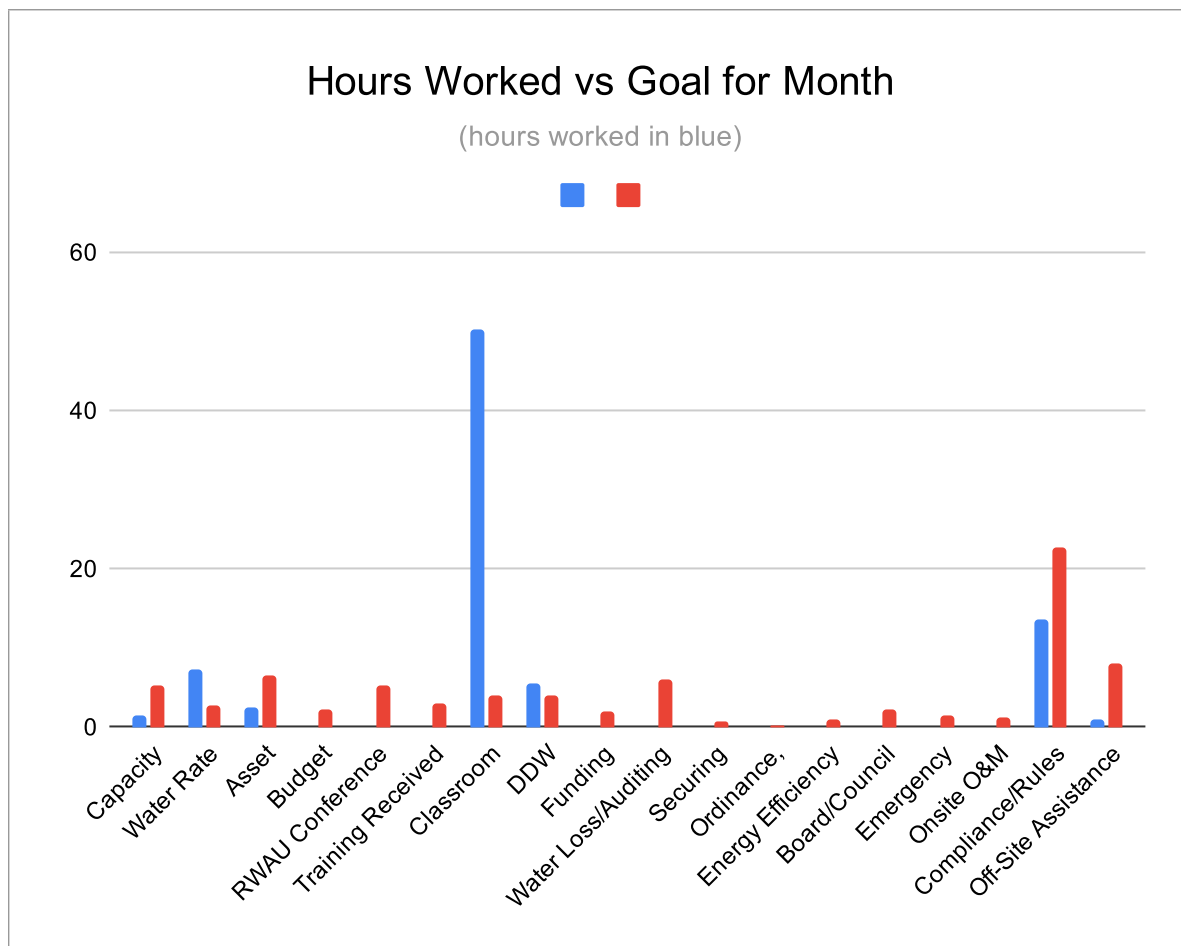
Terry Smith - Compliance Specialist

Contract Goal Titles	Report Period Hours:	Program Hours to Date:	Program Goals:
Capacity Development/Master Planning	1.5	58.7	64.0
Water Rate Development/Analysis	7.3	29.3	7.3
Asset Management/Evaluation	2.5	73.3	80.0
Budget Planning/Evaluation	0.0	23.8	26.0
RWAU Conference	0.0	58.7	64.0
Training Received	0.0	33.0	36.0
Classroom Instruction/Training	50.3	44.0	48.0
DDW Interaction/Meetings/Reports	5.5	44.0	48.0
Funding Procurement	0.0	22.0	24.0
Water Loss/Auditing	0.0	66.0	72.0
Securing Engineering	0.0	9.2	10.0
Ordinance, Resolutions, By-Laws Development	0.0	3.7	4.0
Energy Efficiency Study	0.0	11.0	12.0
Board/Council Training	0.0	23.8	26.0
Emergency Response	0.0	16.5	18.0
Onsite O&M Training	0.0	12.8	14.0
Compliance/Rules Assistance	13.8	249.3	272.0
Off-Site Assistance	1.0	88.0	96.0
Totals:	81.75	867	921



Report Period: November, 2020
Notable Assistance & Work Performed

System	Description:
SWISS ALPINE MTN WTR CO	Assistance with water rights analysis
RICHFIELD CITY WATER	Assisting Janell with water rates spreadsheet creation
WILDWOOD WATER (29124)	Assisting Kevin Forsyth with sampling planning/compliance
Delta City	Onsite training - CC Admin CEUs
PIUTE-SEVIER/DEER CR WTR	Onsite meeting to evaluation chlorination, etc.
PARAGONAH TOWN	Operator certification planning and assistance
OAKLEY CITY	Working with Janell - water rates spreadsheet
NEPHI CITY WATER	Proctoring CC Admin exam
ST GEORGE CITY	Proctoring exams (5)
BRIDGERLAND WATER CO	Assisting Ted with addressing SIG & request for CAP
MARBLE HILL WATER CO	Assisting Marble Hills in SIG Deficiencies
WANSHIP MUTUAL WTR CO	Helping Wade with sampling auditing
ANGELL SPRINGS SSD	Tank maintenance to repair coating planning



Rural Water Association - DWB Report

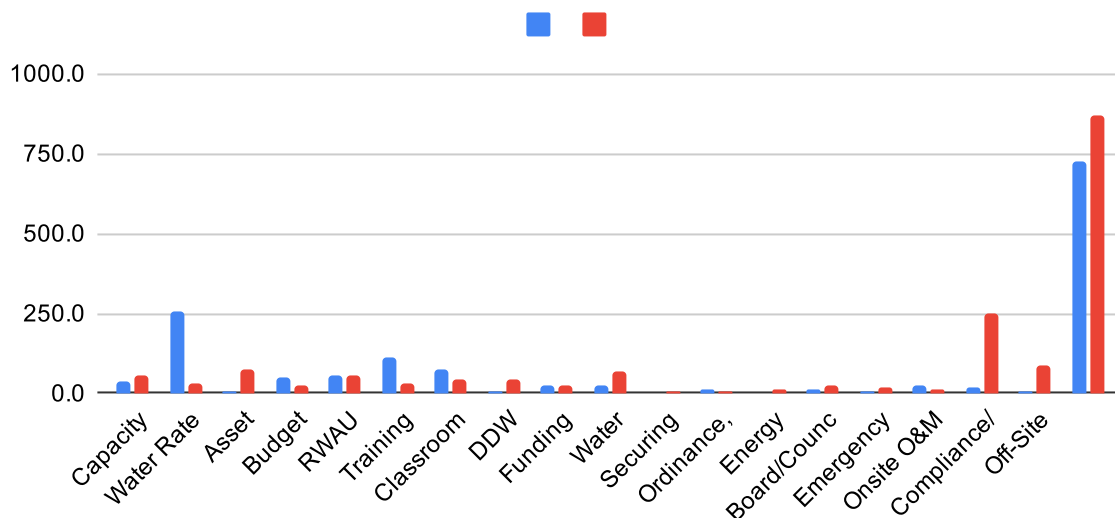
Report Period: November, 2020

Janell Braithwaite - Managment Technician

Contract Goal Titles	Report Period Hours:	Program Hours to Date:	Program Goals:
Capacity Development/Master Planning	6.00	59	64
Water Rate Development/Analysis	29.00	29	32
Asset Management/Evaluation	0.00	73	80
Budget Planning/Evaluation	27.25	24	26
RWAU Conference	2.75	59	64
Training Received	14.00	33	36
Classroom Instruction/Training	0.00	44	48
DDW Interaction/Meetings/Reports	1.50	44	48
Funding Procurement	9.75	22	24
Water Loss/Auditing	6.75	66	72
Securing Engineering	0.00	9	10
Ordinance, Resolutions, By-Laws Development	0.00	4	4
Energy Efficiency Study	0.00	11	12
Board/Council Training	2.00	24	26
Emergency Response	0.00	17	18
Onsite O&M Training	3.50	13	14
Compliance/Rules Assistance	7.75	249	272
Off-Site Assistance	7.50	88	96
Total:	117.75	867	946

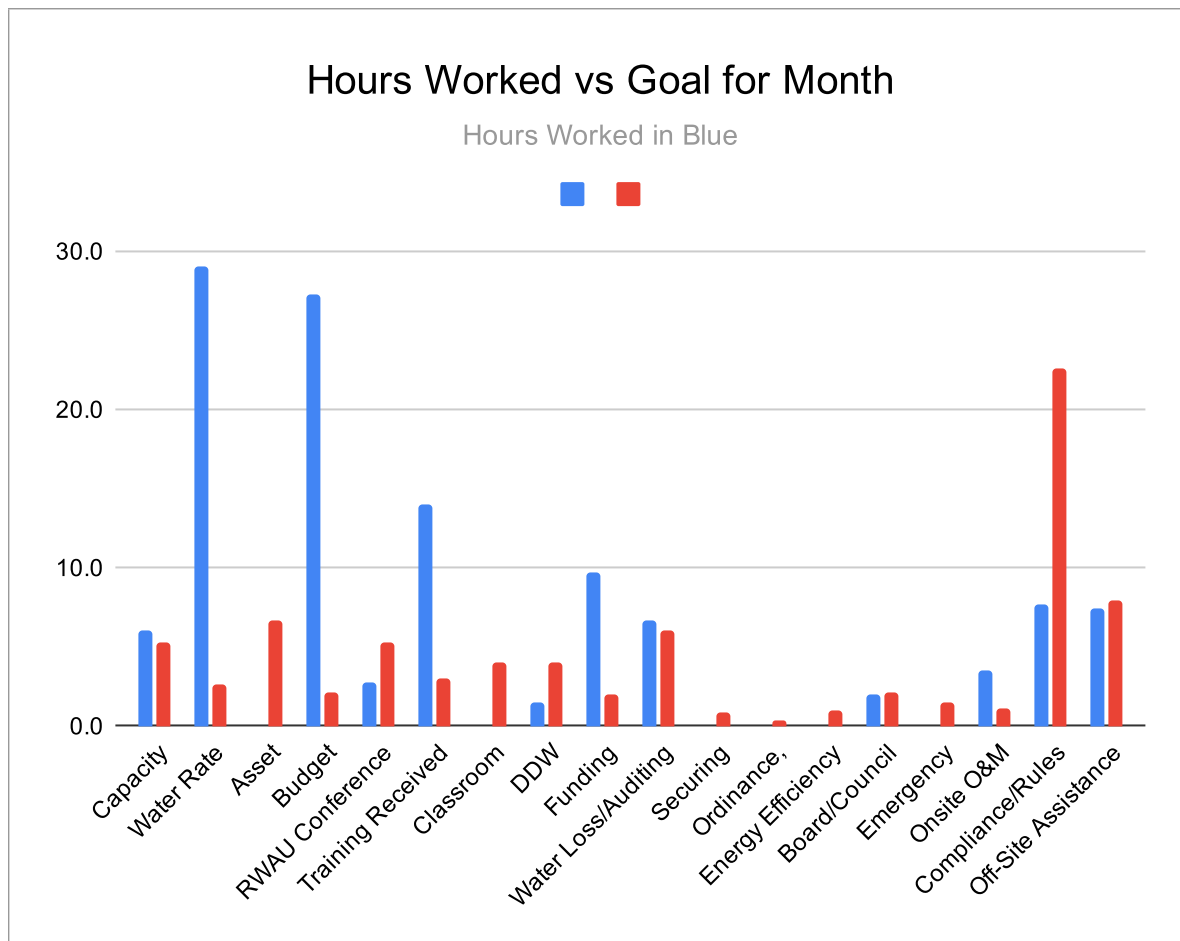
Program Hours Worked vs Goals to Date

Worked Hours in Blue



Report Period: November, 2020
Notable Assistance & Work Performed

System Name:	Description:
NEW CASTLE WATER CO	Referral for New Castle-contacts Jared Holt, capacity development
WILLOW CREEK WATER CO	Willow Creek Water Co. water rate study for funding procurement
	DDW Board meeting
NEW CASTLE WATER CO	Phone call w/New Castle Board President, Jared Christensen, and
RICHFIELD CITY WATER	Explained Richfield's water rate study to Finance Director, Tyson
MORONI CITY	Moroni's water rate study , ensure revenues cover new bond payment
TURKEY PLANT (MORONI)	Proctored test for Norbest Operator, Marsha Hellquist
HANNA WTR/SWR DIST	Hanna water rate study for funding procurement
SOUTH DUCHESNE CUL WTR	Nathan Hall discussion on compliance issues-South Duchesne
NEW CASTLE WATER CO	New Castle water rate study-budgeting and financing purposes
OAKLEY CITY	Attend Oakley City Council meeting: budget, rates and funding
LEVAN TOWN	Start on Levan water rate study for budgeting purposes
GUNNISON CITY	Contacted Gunnison water operator re: IPS points on tank, resolution
ALTA TOWN	Contacted John at Alta-would like help with their budget
FRANCIS TOWN WATER	Discussion w/Town of Francis-need help w/budget evaluation/fees



Rural Water Association - DWB Report

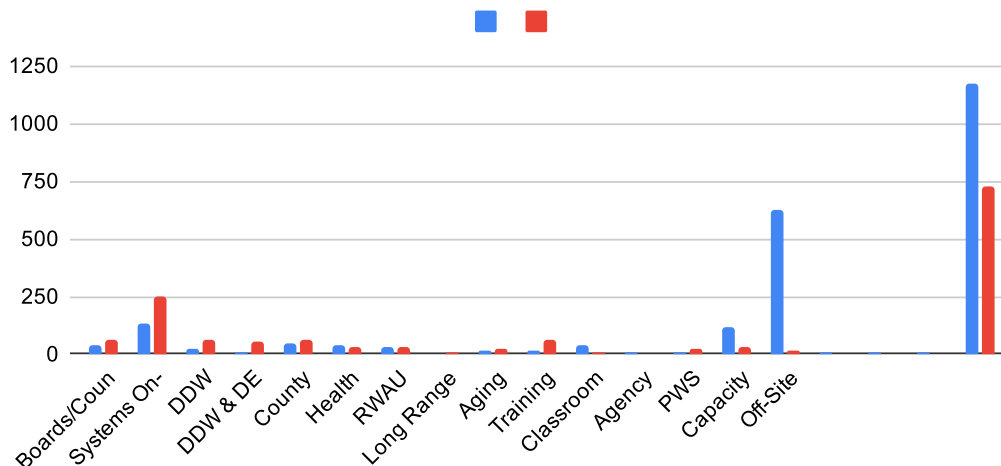
Report Period: November, 2020

Curt Ludvigson - Managment Technican

Contract Goal Titles	Report Period Hours:	Program Hours to Date:	Program Goals:
Boards/Councils	7.50	58.67	64
Systems On-Site	19.50	249.33	272
DDW Interaction/Meetings	2.50	65.08	71
DDW & DE	1.00	51.33	56
County Plannners	2.00	58.67	64
Health Departments	6.50	33.00	36
RWAU Conferences	0.00	33.00	36
Long Range Planning	0.00	9.17	10
Aging Infrastructure Planning	0.00	22.00	24
Training Received	0.00	66.00	72
Classroom Training	2.50	9.17	10
Agency Meetings	0.00	3.67	4
PWS Definition Training	1.75	22.00	24
Capacity Development Planning	8.25	29.33	32
Off-Site Capacity Development	52.50	16.50	18
Total:	104	727	793

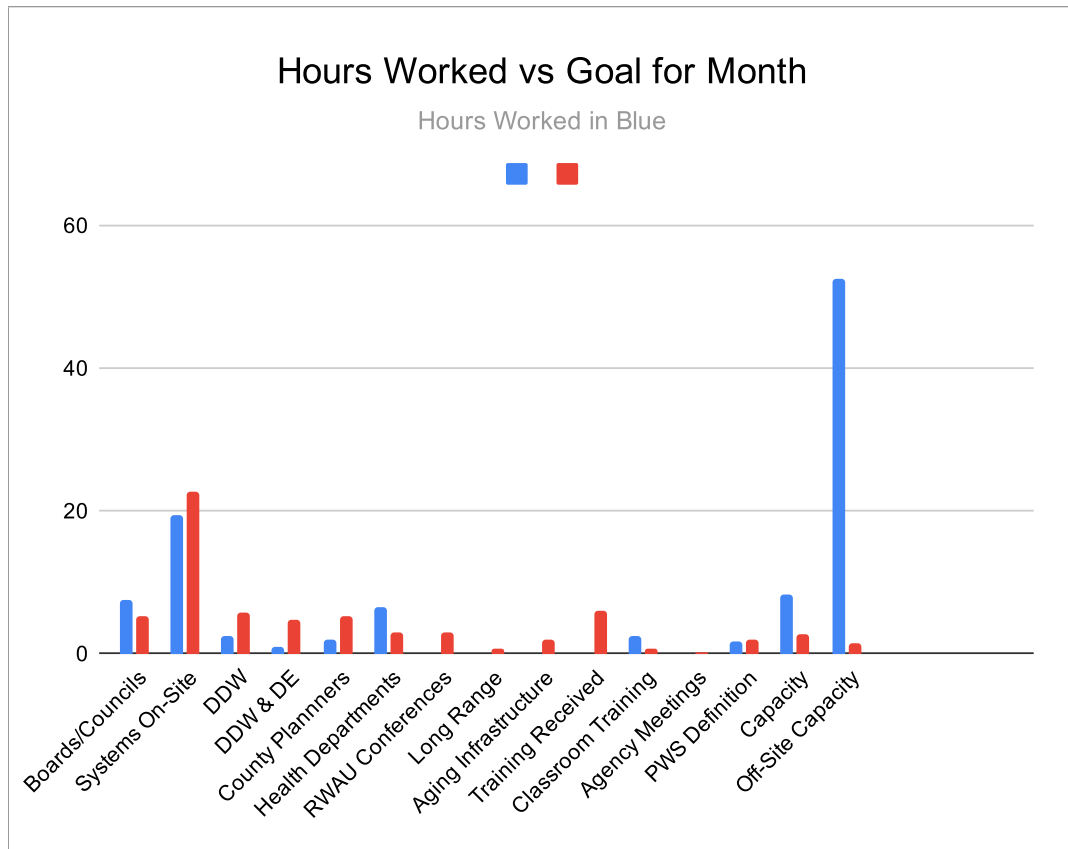
Program Hours Worked vs Goals to Date

Worked Hours in Blue



Report Period: November, 2020
Notable Assistance & Work Performed

System Name:	Description:
	Drinking Water Board Meeting
INDIAN RIDGE WCD	Working on writing a Governance Resolution for Indian Ridge
OAKLEY CITY	Working on Rates for Oakley
ANGELL SPRINGS SSD	Writing an RFP for Angell Springs
INDIAN RIDGE WCD	Meeting with the Indian Ridge Board discussing a Master Plan and need for engineering
HIGH VALLEY WATER CO	Working on Rates review for High Valley Water
HIGH VALLEY WATER CO	Meeting with the Manager and discussed the RFP process, criteria in selecting an engineer, their Master Plan and Project needs
OAKLEY CITY	Meeting with the Oakley Council discussing rates, project, engineering selection
HUNTSVILLE TOWN	I met with the City Recorder and discussed a project that I had met with the Council about quite a while ago. They have never really addressed the issues. I suggested that I attend another meeting and see if I can get them moving on it. She will talk to the Mayor and see what they want to do.
AXTELL COM SERVICE DIST	Attended the Axtell SSD Public Hearing regarding the project they are trying to get going on. I addressed several questions and answered many concerns
	Central Utah Health Department Board Meeting
	I met with the District Engineer and discussed the issues in the areas
MAYFIELD TOWN	I met with the new Mayor and did some training on his responsibilities and discussed the water system and the need to keep it in good condition
AXTELL COM SERVICE DIST	Had a meeting to discuss the problems they are having with the
AURORA CITY	I met with the Mayor of Aurora and discussed their progress in



Agenda Item

13(A)

Drinking Water Board Enforcement Report January 2021

PWS ID	PWS Name	PWS Type	Pop Served	IPS Pts	Rating	Rating Date
Finalized AO						
UTAH18028	SANDY CITY	Community	99750	2	Approved	03/11/1980
UTAH11043	OLD MEADOWS	Community	48	115	Not Approved	04/18/2017
Corrective Action Systems						
UTAH02078	M & J TRAILER HOME COMMUNITY	Community	27	245	Not Approved	8/20/2018
UTAH22104	LAKE ROCKPORT	Non-Community	200	265	Corrective Action	12/7/2018
UTAH26026	BRYANTS FORK SUMMER HOMES	Non-Community	50	30	Corrective Action	6/11/2019
UTAH22001	CLUFFWARD PIPELINE	Community	188	100	Corrective Action	9/30/2019
UTAH07061	VALLE DEL PADRES SUBDIV	Non-Transient	98	5	Corrective Action	11/13/2019
UTAH02003	BOTHWELL	Community	360	55	Corrective Action	5/22/2020
UTAH02031	GIRLS HOME	Non-Community	300	405	Corrective Action	5/27/2020
UTAH29086	PINE VIEW HOMEOWNERS	Community	105	65	Corrective Action	5/28/2020
UTAH26064	MILL HOLLOW	Non-Community	220	90	Corrective Action	6/9/2020
UTAH25082	TIE FORK REST AREA	Non-Community	301	65	Corrective Action	6/16/2020
UTAH26033	DEER CREEK PARK LLC	Non-Community	150	265	Corrective Action	7/8/2020
UTAH29009	NORDIC	Community	509	100	Corrective Action	7/8/2020
UTAH27051	ZION CANYON	Community	3380	0	Corrective Action	7/8/2020
UTAH27052	ZION CANYON -EAST GATE	Non-Community	27	5	Corrective Action	7/8/2020
UTAH27093	BIG PLAINS CANAAN RANCH	Community	56	135	Corrective Action	7/31/2020
UTAH01015	GREENVILLE WARD	Non-Community	100	55	Corrective Action	8/11/2020
UTAH25179	RIGTRUP EGG FARM	Non-Transient	35	50	Corrective Action	8/11/2020
UTAH02062	WILLOW CREEK WATER	Community	175	75	Corrective Action	8/11/2020
UTAH18005	COPPERTON IMPROVEMENT DISTRICT	Community	990	30	Corrective Action	8/11/2020
UTAH22114	BAR X MUTUAL	Non-Community	136	105	Corrective Action	8/18/2020
UTAH26055	INTERLAKEN TOWN	Community	350	50	Corrective Action	8/24/2020
UTAH15013	COTTONWOOD MUTUAL	Community	2600	50	Corrective Action	8/26/2020
UTAH18179	L & B RESOURCES	Non-Transient	100	565	Corrective Action	8/27/2020
UTAH22003	ECHO MUTUAL	Community	70	150	Corrective Action	8/28/2020
UTAH08043	TRAIL CANYON RESIDENTS	Community	42	95	Corrective Action	9/1/2020
UTAH02010	EAST GROUSE CREEK PIPELINE	Community	70	100	Corrective Action	9/9/2020
UTAH26059	WASATCH MOBILE HOME PARK	Community	31	95	Corrective Action	9/21/2020
UTAH18104	MOUNTAIN DELL	Non-Community	300	60	Corrective Action	10/15/2020
UTAH07032	CAMP TIMBER LANE	Non-Community	942	250	Corrective Action	12/10/2020
UTAH25184	BATEMANS MOSIDA FARMS	Community	90	260	Corrective Action	4/14/2020
UTAH06006	KAYSVILLE CITY	Community	27300	40	Approved (per rc)	3/10/2020
Failure to Comply						
UTAH25077	RIVERBEND GROVE, INC.	Non-Community	25	420	Not Approved	12/13/2016
UTAH25013	GOSHEN TOWN WATER SYSTEM	Community	925	195	Corrective Action	3/8/2016
UTAH09077	BRISTLECONE	Non-Community	180	65	Corrective Action	1/23/2019
UTAH07067	SOUTH DUCHESNE	Community	128	205	Not Approved	4/24/2019
UTAH25133	JEHOVAHS WITNESS CHURCH	Non-Community	100	165	Corrective Action	9/16/2019
UTAH03006	COVE WATERWORKS	Community	52	125	Corrective Action	9/17/2019
UTAH13001	ALTON TOWN WATER	Community	136	170	Not Approved	4/24/2020
UTAH09001	ANTIMONY TOWN	Community	135	35	Corrective Action	6/24/2020
Not Approved Systems						
UTAH09084	JNB MARINE	Non-Community	36	60	Not Approved	9/17/2002
UTAH07039	ESCAPE RV-LAKESIDE PARK	Non-Community	28	85	Not Approved	11/3/2016
UTAH10034	SUN ARCHVIEW LLC	Non-Community	506	35	Not Approved	4/18/2017
UTAH03005	CORNISH TOWN WATER SYSTEM	Community	270	60	Not Approved	9/27/2018
UTAH07023	YELLOWSTONE CAMPGROUND	Non-Community	25	135	Not Approved	9/27/2018
UTAH12028	HOUWELINGS TOMATOES	Non-Transient	150	455	Not Approved	5/29/2019
UTAH15018	SOUTH ROBINSON SPRINGS	Community	28	105	Not Approved	9/9/2019
UTAH09028	CALF CREEK	Non-Community	300	65	Not Approved	9/9/2019

UTAH04052	MADSEN BAY WATER COMPANY	Non-Community	30	100	Not Approved	12/17/2019
UTAH15029	STODDARD INN	Non-Community	25	285	Not Approved	4/24/2020
UTAH20073	INDIANOLA LDS CHAPEL	Non-Transient	320	135	Not Approved	5/12/2020
UTAH27086	NORTH VALLEY RANCHES	Community	25	200	Not Approved	6/2/2020
UTAH10018	BUCKS GRILL HOUSE	Transient Non-Community	150	180	Not Approved	6/2/2020

Current News

DRINKING WATER BOARD PACKET
Current News

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Fairview council measures roads for consideration for future improvements

By Rhett Wilkinson

Staff writer

10-22-2020

<http://sanpetemessenger.com/archives/19988>

FAIRVIEW—The Fairview City Council did more than discuss future road development, they measured it.

Mayor David Taylor asked in the Thursday, Oct. 15 Fairview City Council meeting if the councilmen had thought about pending road projects.

Councilman Matt Sorensen and Councilman Casey Anderson did more than think about it, Sorensen said.

The two measured eight different roads in Fairview, including Canyon Road.

“We didn’t really find any road that was really the same anywhere that we measured,” Anderson said, noting that at least two differed by up to 14 feet.

The “moral of the story” is that some of Fairview’s roads need to be widened, Anderson said.

In other meeting action, Taylor spoke regarding the state of Utah rolling out new restrictions regarding COVID-19, which included mask rules.

“Please be cautious,” Taylor said.

Taylor hopes that the city can get back on Oct. 29 to the level it was at, saying the city must be “vigilant.”

At the start of the meeting, Taylor asked attendees to leave the meeting if they showed COVID-19 symptoms. He said at the end of the meeting that he was “kind of horsing around” with attendees, but then said, “This is reality.”

Councilman Brad Welch noted that families in Utah are great at getting together once a month and said that his family that gathers once a month in North Ogden, Utah, canceled their get-together for the weekend of Oct. 17.

Taylor said that he asked city staff to line up Santa Claus for the first weekend after Thanksgiving. Taylor said “let’s get him ordered ... but we have got to get used to start living our lives differently.”

Welch said the city may do a parade with Santa rather than have children sitting on his lap.

To further adjust to the pandemic, Taylor wanted to start considering Pioneer Day activities. He wants to have something ready for the council in November because the city starts preparing for Pioneer Day in January.

Also in the meeting, Police Chief Steve Gray thanked the city for its help amid “a couple crappy weeks.”

“I’ve worked for five cities,” he said. “I don’t think I’ve ever felt family like I’ve felt here.”

Gray mentioned that his mother passed away.

“The phone calls and the messages and hugs and the time off was huge for me,” Gray said. “I appreciate everything.”

“He’s had a full plate-and-a-half,” Taylor said of Gray. “Appreciate everything he’s done.”

In other meeting action, the council passed an ordinance as amended creating a general policy for control backflow and cross connections. It was for the purpose of protecting the public drinking water supply, according to the meeting agenda.

Justin Jackson, the Fairview City water and sewer superintendent, said the law was a “boilerplate ordinance.”

“Cross-connection backflow requirements have been around since the 1980s,” he said.

With the ordinance passed, the city will need to choose a plumbing official, Jackson said.

Taylor suggested that Jackson call Tracey Christensen, building administrator for Sanpete County, and ask him point blank if he’s qualified?

Romney & McAdams push for passage of Utah Navajo water bill

Written by Press Release Created: 01 November 2020

<https://utahpolicy.com/index.php/features/featured-articles/25340-romney-mcadams-push-for-passage-of-utah-navajo-water-bill>

WASHINGTON - U.S. Senator Mitt Romney (R-UT) and Congressman Ben McAdams (D-UT) have urged action on legislation that would secure clean drinking water for Navajo Nation in Utah. Romney and McAdams sent a joint letter to the House Speaker, House Majority Leader, and House Committee on Natural Resources Chair urging passage of the Navajo Utah Water Rights Settlement Act.

"The COVID-19 pandemic has disproportionately impacted the Navajo Nation in our state, and the shortage of running water in nearly half of homes is contributing to the spread," Romney said. "People deserve to have running water, and with each day our legislation is held up by the House Democratic Leadership, Utah Navajos continue to experience hardship from lack and shortage of running water. The Navajo Water Rights Settlement Act has been a very long time in the making, and I was proud that the Senate unanimously passed it. Congressmen Bishop, Curtis, and McAdams are leading the fight in the House to get this legislation across the finish line, and it is my hope that it will not continue to be unreasonably held up. Let's send this bill to the president's desk without any more delay."

"Access to clean, running water is something everyone should have for the health and safety of their families. It is unthinkable that right here in my home state, families on the Navajo Reservation are forced to do without this crucial resource," McAdams said. "The Navajo Utah Water Rights Settlement Act is the result of collaboration between the state of Utah, Navajo Nation, and the federal government. I'm glad to stand with Senator Romney in urging for action on this important legislation."

Their letter reads in part, "As you are aware, Indian Country, and especially the Navajo Nation, has been devastated by COVID-19 in large part because of the lack of safe drinking water for essential preventative measures, such as hand washing. On the Navajo Reservation, nearly 40 percent of the population lacks running water and/or adequate sanitation in their homes. The Navajo Utah Water Rights Settlement Act would work to address this issue by providing approximately \$220 million in funding for drinking water projects on the Reservation."

The Navajo Utah Water Rights Settlement Act unanimously passed the Senate earlier this year as

part of a package of Tribal water bills (S. 886). Romney and McAdam's letter specifically requests that S. 866 be placed on the House floor for a vote and final passage as soon as possible.

The dangers of collecting drinking water

Date:

November 4, 2020

<https://www.sciencedaily.com/releases/2020/11/201104102213.htm>

Source:

University of East Anglia

Summary:

Fetching drinking water in low and middle income countries can cause serious injury, particularly for women. A new study reveals dangers including falls, traffic accidents, animal attacks, and fights, which can result in broken bones, spinal injuries, lacerations, and other physical injuries. The work draws on a survey of 6,291 randomly selected households across 24 sites in 21 low- and middle-income countries in Asia, Africa, Latin America, and the Caribbean.

FULL STORY

Collecting drinking water in low and middle income countries can cause serious injury, particularly for women, according to new research from the University of East Anglia.

A new international study published in BMJ Global Health reveals dangers including falls, traffic accidents, animal attacks, and fights, which can result in broken bones, spinal injuries, lacerations, and other physical injuries.

And women are most likely to sustain such injuries -- highlighting the social the social and gender inequities of a hidden global health challenge.

Dr Jo-Anne Geere, from UEA's School of Health Sciences, said: "Millions of people don't have the luxury of clean drinking water at their home, and they face many dangers before the water even touches their lips.

"Global research on water has largely focused on scarcity and health issues related to what is in the water, but the burden and risks of how water is retrieved and carried has been overlooked until now.

"We wanted to better understand the true burden of water insecurity."

The new study was led by Northwestern University in the US, in collaboration with UEA, the University of Miami and the Household Water Insecurity Experiences Research Coordination Network (HWISE RCN).

The research team used a large global dataset to understand what factors might predict water-fetching injuries. The work draws on a survey of 6,291 randomly selected households across 24 sites in 21 low- and middle-income countries in Asia, Africa, Latin America, and the Caribbean.

They found that 13 per cent of the respondents reported some sort of injury while collecting water, and that women were twice as likely to be hurt as men.

Dr Sera Young, from Northwestern University, said: "Thirteen percent is a big number, but it is probably an underestimate. It's highly likely that more people would have reported injuries if the survey had more detailed questions.

Prof Paul Hunter, from UEA's Norwich Medical School, said: "This reinforces how the burden of water scarcity disproportionately falls on women, on rural populations, and on those who do not have water sources close to home.

"It highlights the importance of safe interventions that prioritise personal physical safety alongside traditional global indicators of water, sanitation, and hygiene."

The researchers say that keeping track of such safety measures -- in addition to the usual measures of water quality and access -- could help better assess progress towards the United Nations' Sustainable Development Goal 6.1, which sets out "to achieve universal and equitable access to safe and affordable drinking water for all" by 2030.

Dr Vidya Venkataramanan, also from Northwestern University, said: "It seems likely that water-fetching can contribute considerably to the global Water, Sanitation and Hygiene (WaSH) burden, but it usually goes unmeasured because we typically think about access and water quality. It is, therefore, a greatly underappreciated, nearly invisible public health challenge.

"It's really important that data on water-fetching injuries are systematically collected so that we can know the true burden of water insecurity. Currently, all of the broken bones, spinal injuries, lacerations and other physical injuries are not accounted for in calculations about the burden of water insecurity."

Story Source:

Materials provided by **University of East Anglia**. *Note: Content may be edited for style and length.*

The Water Tap: How has water use changed in the west since 2000?

Joan Meiners

Published Nov 6, 2020, Updated Nov 19, 2020

<https://www.thespectrum.com/story/news/2020/11/06/water-tap-how-has-water-use-changed-west-since-2000/6179969002/>

This article is part of a series addressing topics relevant to water security in Iron and Washington counties. Look for stories online on select Fridays and in print on select Saturdays that feature updates on ongoing water issues, interviews with experts and explorations of how we can ensure a better water future for the growing communities in southwestern Utah.

Lately, it seems everyone is obsessed with maps of the nation colored differently based on data for each region. So perhaps you will enjoy this new map by Brian Richter, president of Sustainable Waters, a global water education organization, showcasing the daily per capita water consumption from public water supplies in different counties based on 2015 data from the United States Geological Survey.

There are some flecks of red, indicating the highest category of water use at more than 300 gallons per person per day, along the east coast. But for the most part, high daily water use seems to be a western issue. Certainly, this is partly due to a greater need to add water to outdoor greenery in western states where rain doesn't do as much of that for us. But this pattern, and the fact that there is simply less water to waste in the west, prompted Richter and his colleagues to undertake a study of how water use has changed in recent years in the west.

"It really started with us paying attention to some of the summary water reports that the USGS publishes every five years," Richter said. "It's been really interesting to see that water use all across the U.S. has been coming down since 1980. That's pretty remarkable considering our population grew 40% over that timeframe. We were curious as to how that was being accomplished."

First, the researchers identified the counties where total water use dropped between 2000 and 2015 even though the number of people using that water grew. Since water use is measured differently in different parts of the country, they only compared areas to themselves over this 15-year period, focusing on the percentage reduction in total water use a county had achieved rather than the number of gallons used.

Out of 97 western counties where the population increased between 2000 and 2015, they found that 65% had nevertheless managed to reduce their total consumption of public water supplies.

Next, the team got on their phones and started calling local water utilities in these 63 water-conscious counties to learn the details of their success. To aid this finer-scale analysis, they asked these water utilities to share data on local water use, which is often not publicly available at smaller-than-county scales, and to fill them in on what they had found to be their best conservation strategies.

Twenty of the largest water utilities in each targeted county, about a third of those contacted, responded to these requests, Richter said. This included eight cities in California, four in Texas, three in Arizona, two in Colorado and one in each of Washington, New Mexico and Nevada.

Utah didn't make the list. Richter recalled that his team did reach out to Weber County, which recorded a 47% decrease in total public water use between 2000 and 2015, and Cache County, whose water use dropped 23% in that timeframe, but did not get a response.

According to Karry Rathje, Communications Director for the Washington County Water Conservancy District, "Washington County's per capita water use decreased 30% from 2000-2018 – one of the highest reductions in the state."

But the population growth rates in Washington and Iron counties between 2000 and 2015 have simply outpaced any per capita water use reductions, and neither met the criteria to be included in Richter's study because they haven't reduced their water consumption from the public supply overall. According to USGS data, Washington County used 40% *more* water in 2015 than it did in 2000, while Iron County recorded an increase of 14% between those years.Create Account

(Critics contend that even with its large improvement in per-capita daily water use when measured by percentage, Washington County still has some of the highest rates in the entire southwestern United States, with much progress left to be made through conservation.)

In their published paper, the scientists noted that "the challenge of holding the line on total water use appears more difficult for larger cities or utilities with very high rates of population increase, simply because per-capita use must drop by a greater extent to keep total volume constant."

But Richter also said that he thinks there are still important lessons to be learned from water utilities like the one in San Antonio, Texas, which the researchers found to be particularly successful at reducing per capita water consumption even while dealing with rapid population growth.

"I do think it's important to communicate to some of these counties with high water use levels that there are actually other counties that are doing pretty well," Richter said.

In the end, the researchers concluded that successful water conservation in the west pretty much comes down to two main things: reduction of water use on outdoor landscaping and installation of more efficient home appliances.

“Our estimate was that the lowering of residential gallons per capita per day appears to account for about two thirds of the water savings in each of these cities,” Richter said. “Commercial lawns, golf courses, parks, that’s in that other one third. But it’s also important to try to save water in those other outdoor landscapes.”

Watch this space for more detail on strategies other cities in the west have used to reduce outdoor water use and improve home appliance efficiency, as well as information on what options and incentives are available to residents of southwestern Utah.

Heber City's Water And Sewer Is Overdue For Fixing

By CAROLYN MURRAY • NOV 18, 2020

<https://www.kpcw.org/post/heber-citys-water-and-sewer-overdue-fixing#stream/0>

Heber City Council discussed updating their Old Town water and sewer lines in Tuesday's meeting. Also, they had a preliminary conversation about using impact fees to increase the level of service for parks and trails.

In Tuesday's work session, Heber City Council discussed the deferred maintenance on critical water and sewer lines that, according to City Council Member Rachel Kahler have not been dealt with for 20 to 30 years.

"The total bond if we do culinary water, waste-water, storm water, pressure irrigation, the total is \$82 million. We're looking at a 10-year scenario. The increases will look somewhere between \$28 up to \$50 in 2023, per household."

Kahler says it's a critical investment for the city, and after five years, the utility costs go down for consumers.

"The initial hit really is the first five years but then we're looking at 2025 to increase being only \$2 and then in 2023, \$5. And so, it is a bit top heavy in the beginning but then it comes back down to much more reasonable increases. But then we've got 30-years now of water and sewer lines that are guaranteed."

The Council also heard from the public regarding parks and trails funding. Kahler says the public expressed a keen interest in service improvements in the Heber City General Planning process. She says council is always concerned about the effect impact fees have on home prices, but city amenities like parks and trails are needed in Heber.

"Level of service was a big discussion because we've really not had an impact fee specific for this. But if we're talking about dollars, we are looking at an estimated impact fee cost per person and per household combined of \$947. But if you look at a single family of maybe 3.6 people in that household, we're looking at 3,411.00.

The council received a presentation from financial consultants showing estimated costs per household, but they made no decisions to implement fees. They'll form a work-study group to

explore the issue, and Kahler hopes the community will participate in the process. The next City Council meeting is on December 1.

Conservation project aims to divert usable water from reaching south end of Lake Quichapa

Written by Jeff Richards

November 21, 2020

<https://www.stgeorgeutah.com/news/archive/2020/11/21/jmr-conservation-project-aims-to-divert-water-from-reaching-south-end-of-lake-quichapa/#.X9FTZNhKiUl>

CEDAR CITY — Water conservation efforts in Iron County have long focused on preventing the water from reaching Lake Quichapa, as the high concentration of salts and minerals in the soil within that ancient lake bed essentially prevents the water from ever being usable again.

But thanks to several aquifer recharge projects that have taken place in recent years, much of the water in the county's closed drainage system is successfully diverted back into the ground, enabling it to be used again for drinking or irrigation.

One such project diverts water into a "lazy river" on the other side of state Route 56. The system guides the water along a winding path, allowing sediments to separate and settle and enabling it to be used for irrigating nearby alfalfa fields. Meanwhile, on the other side of the highway, a small reservoir built in 2017 is designed to catch the water just before it reaches Quichapa in a small marshland pond that's usable as a habitat for waterfowl.

Now, in the latest effort, Iron County officials have joined forces with Central Iron County Water Conservancy District to construct an earthen dike that bisects Quichapa's currently dry lake bed.

On one recent Friday, CICWCD employee Tracy Feltner and Iron County Commissioner Paul Cozzens spent the day at Quichapa, each using heavy equipment to build up the dike that will isolate the northern portion of the reservoir from the south.

"Once it gets to the south end of the lake, we can't use that water for anything, irrigation or anything else," Feltner explained. "So this end of the lake, the north end of the lake, has proven to be good water until it starts getting later on in the season."

Feltner said the plan is to keep some of the water retained in the wildlife pond, with any excess running over a spillway and into the north portion of the lake. Earlier this week, equipment operator Curtis DeMille used an excavator to dig a connecting trench to facilitate the movement of the water up toward SR-56.

From there, Feltner noted, motors and pumps will move the water under the highway and into the lazy river system, and from there, to the agricultural pivots used to irrigate crops.

Cozzens called the project a “win-win for everybody” and thanked the nearby landowners for their assistance and cooperation, including Craig Jones, Kerry Jones, Brad Schmutz and Tyree Bulloch.

“These landowners have been very gracious in letting us use their land for whatever we need to help the basin,” Cozzens said.

“It’s nice to give back to them and help them out a little bit with some water that would normally be wasted,” he added.

“We used to separate the sediments and pump the water up to a recharge basin, but that’s not nearly as effective as actually putting the water into the pivots and having the farmers idle their wells, this in effect providing 100% recharge,” Cozzens added, noting that in times where there is an excess amount of water, the old recharge system will still be used.

Cozzens said he and other county officials appreciate the partnership with CICWCD.

“To help the water district to be able to fulfill this, we’ve donated equipment and some labor to see this project through,” Cozzens said, adding that the project is expected to take another two to four weeks to complete.

Conservation efforts in southern Utah help delay need for water projects, but not indefinitely

By Mori Kessler, St. George News | Posted - Nov. 29, 2020 at 1:50 p.m.

<https://www.ksl.com/article/50057662/conservation-efforts-in-southern-utah-help-delay-need-for-water-projects-but-not-indefinitely>

ST. GEORGE — Last month, the Utah Division of Water Resources reported that water conservation efforts have helped meet growing population needs while postponing the need for water development projects.

While state officials primarily referred to water projects in northern Utah, the southwest corner of the state has also seen its own successes with conservation efforts during an ongoing drought, according to local water officials.

"We've seen how implementing water conservation strategies can delay large-scale infrastructure projects," Todd Adams, director of the Utah Division of Water Resources, said in a press release.

"When the Legislature passed the Bear River Development Act in 1991, the projected need for the water was in 2015. Thanks primarily to conservation efforts, new technology and some smaller water development projects, current projections indicate the water won't be needed until 2045 to 2050."

The state has launched several water conservation projects in recent years that Adams gave credit to Utah's citizens and private sectors for embracing.

[Read the full article at St. George News.](#)

Officials: Flint makes progress toward ending water crisis

Officials say Flint is making progress toward resolving the lead contamination crisis that made the Michigan city a symbol of poor drinking water

Via AP news wire

Monday 07 December 2020 21:07

<https://www.independent.co.uk/news/world/americas/officials-flint-makes-progress-toward-ending-water-crisis-flint-city-steps-residents-communities-b1767692.html>

Flint has taken important steps toward resolving the lead contamination crisis that made the impoverished Michigan city a symbol of the drinking water problems that plague many U.S. communities, officials said Monday.

A total of \$120 million in federal and state funding has helped Flint replace more than 9,700 lead service lines, which carry water from main pipes into homes, said Kurt Thiede, administrator of the U.S. Environmental Protection Agency's Region 5, which includes Michigan.

Fewer than 500 service lines remain to be checked — a task the city hopes to complete this month, he said. The search-and-replace operation, involving more than 26,000 digs, was required under a 2017 settlement of a lawsuit filed by Flint residents and nonprofit groups against the city and state.

Flint also has finished most actions required under an emergency order the EPA issued in 2016, including the completion of a study on proper treatments to prevent water pipe corrosion and the regular sampling of water from homes that still have lead service lines, Thiede said.

The remaining steps should be completed soon, “marking the end of what has been a rather dark and challenging time,” he said during an online news conference.

“The drinking water system in Flint, I think it can be said, is in better shape now than it’s ever been,” he said.

Mayor Sheldon Neeley pointed to other progress, including work on a new building for chemical treatment systems and a backup water source pipeline, which are scheduled for completion in 2021.

But he acknowledged that many Flint residents remain skeptical that their water is safe.

“Though the technology is saying we’re better, the psychological impact of having poor water quality for a long period of time still exists, so there is still a crisis in confidence and that’s not going to be resolved overnight,” Neeley said.

Flint switched its drinking water source in 2014 from Detroit's system to the Flint River in a money-saving move while under supervision of a state financial manager.

City workers followed state environmental officials’ advice not to use anti-corrosive additives. Without those treatments, water from the river scraped lead from aging pipes and fixtures, contaminating tap water.

Residents of the city of nearly 100,000 lined up for bottled water and parents feared their children had suffered permanent harm. A criminal investigation that has resulted only in misdemeanor no-contest pleas thus far was resumed last year.

A federal court is considering a proposed \$641 million settlement of lawsuits filed by Flint residents against the state, the city, a local medical center and an engineering and environmental services firm.

Thiede declined to comment Monday on pending suits against the EPA over Region 5's response to the lead contamination.

Flint has not exceeded the federal action threshold for lead of 15 parts per billion in the last four years, the EPA said in a statement. But it recommended that residents continue using certified drinking water filters because construction work across the city could temporarily elevate lead levels.

The Trump administration hopes to complete an updated version of federal lead and copper regulations in the next month, Thiede said. Among other changes, they will require testing at all schools and day care facilities, as well as publicly accessible lead service line inventories for all water systems.

Officials also announced a program to train Flint high school students at nearby Delta College for careers in water treatment systems.

KWCWD board approves water rate increase for Cedar Mountain

by Helene Jorgensen

<https://www.sunews.net/article.cfm?articleID=2885>

Kane County Water Conservancy District (KCWCD) held a public hearing during their monthly board meeting last Thursday, Dec. 10, on raising the residential water base rate by \$3 per month and adding a sewage fee of \$2 per month for the Cedar Mountain service area. The board of directors voted unanimously to approve the increases.

Mike Noel, Executive Director of the KCWCD, said, “the increase in the water rate from \$34 to \$37 per month is necessary.” When KCWCD built the water infrastructure, customers had been allowed to finance the impact fee over 10 years at a six percent interest rate. Now 10 years later, the principal and interest payments are coming to an end.

Starting Spring 2021, KCWCD will begin installing sewage pipes and build a wastewater treatment plant at Duck Creek Village. According to Noel, the Utah Division of Water Quality had asked KCWCD to enter into the wastewater business to address the recurrent problem of nitrates building up in the groundwater. Raw sewage from non-functioning septic tanks is especially a problem in the Duck Creek area. To pay for this project, KCWCD is adding a monthly \$2 sewage fee.

A private citizen and Cedar Mountain homeowner stated that his monthly water base fee was \$18 per month when he purchased his home seven years ago. “Now we will be looking at \$37, which is a 106 percent increase. That is pretty steep in seven years.”

He and his neighbors were also concerned that they will be paying for septic tank problems for the businesses in Duck Creek Village.

Mike Kenner, KWCWD board member and Cedar Mountain resident, asked whether Duck Creek is paying for Kanab’s new golf course.

Noel said that it would not. “The way we will finance the golf course is through a Community Impact Board (CIB) loan. The loan we can get is a three percent loan over 30 years.”

Noel predicts that the CIB loan for the golf course will be for around \$5 million. Noel said he had a conversation with Kane County Commissioner Brent Chamberlain about using county Transient Room Tax (TRT) funds to repay the loan.

The world-renowned golf course architect David McLay Kidd is visiting Kanab this week to view the site of the new golf course and to meet with the board of directors over lunch. KCWCD made the first payment of \$25,000 toward the design of the course last month.

The new 200 acre golf course will be located near Jackson Flat Reservoir on KCWCD and SITLA land and at the gravel pit on Bureau of Land Management land along the border with Arizona. KCWCD is also purchasing 74 acres from a private landowner.

Noel said, “the R&PP [recreational and public purposes] application with the BLM and the lease application with SITLA both were filed a while ago, but I just need a motion that the board approves of the filling of these applications. I can’t do that without board authority.”

The board unanimously passed two motions to file the BLM RPP and SITLA lease applications.

Twenty-five miles up the highway from Jackson Flat, KCWCD is proposing to build a new 6,055 acre feet reservoir near Orderville, Cove Reservoir. Water would be diverted from the East Fork Virgin River and stored for irrigation of alfalfa fields in Long Valley and Washington County.

KCWCD, along with the federal agency Natural Resources Conservation Service, held a public meeting the same evening on the draft Environmental Assessment for Cove Reservoir.

About 100 people attended the virtual meeting. Merlin Esplin, KCWCD board member and alfalfa grower in Orderville, said he thought the meeting went well. “I was very pleased that the meeting was a zoom meeting where people couldn’t get on and start ranting, rather than asking questions.”

Zach Frankel, Executive Director of the Utah Rivers Council, noted that, “democracy is about seeing critics as having input that can be used to make better policy.”

Noel agreed that the purpose of the NEPA process is to inform the public and to make better decisions.

The public comment period for Cove Reservoir ends December 31, 2020. Frankel observed that, “one thing that is really important is whether the public comments are really going to be considered.” Frankel raised the concern that, “if the EA is going to be approved in a day or week, then it is clear that the public comments are not really going to be considered in this process, and the whole thing is just a charade. So we will see what happens about rectifying some of the problems and inaccuracies in the Environmental Assessment,” said Frankel.

Noel explained, “There is a process that it goes through once the comment period is over.” Noel said, “We will let Transcon and NRCS, the lead agency on this, deal with that.”

Transcon Environmental Inc. is the consulting company doing the environmental analyses.

Noel further mentioned, “we have potentially a new [Biden] administration coming in. They may weigh in on this. But we have done all we can as a water conservancy district to see that this project goes forward.”

Another Orderville project is a new housing development. Developer Steve Neeleman is looking to build a subdivision south of the baseball fields and asked the City of Orderville and KCWCD for a tax discount. Merlin Esplin said that the Orderville City Council has already signed the deal.

Neeleman is asking for a 20 percent discount in property tax payments, up to \$750,000 over 20 years. The money would be re-directed to the agency Red Hollow Community Reinvestment Project and used to build infrastructure in the subdivision.

Esplin said he was not sure he agreed with it, “You want to do a project, so you apply for this tax reinvest plan so a portion of the property taxes that would be collected on that property then goes back into helping you develop infrastructure to make your development more sellable.”

Dirk Clayson, KCWCD board member and the realtor who sold the property to the developer, said, “There is very little risk to the water district in that if there are no new taxes created, there is no discount given.”

Kane County Attorney Rob Van Dyke recommended that the board obtain a copy of the actual project area plan so they can view exactly what the “tax increment” funds will be used for.

The board members had not received any project documents ahead of the board meeting and decided to postpone the decision.