



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

DIVISION OF DRINKING WATER
Kenneth H. Bousfield, P.E.
Director

Drinking Water Board
Paul Hansen, P.E., *Chair*
Betty Naylor, *Vice-Chair*
Brett Chynoweth
Tage Flint
Heather Jackson
Brad Johnson
Natasha Madsen
David Stevens, Ph.D.
Mark Stevens, M.D.
Kenneth H. Bousfield, P.E.
Executive Secretary

DRINKING WATER BOARD MEETING
Friday, May 9, 2014 - 1:30 pm
Bear River Water Conservancy District Offices
102 W Forest Street
Brigham City, Utah 84302

FINAL MINUTES

- ❖ **A tour of the Beaver Dam Water System was conducted prior to the Board meeting. Neither discussion of any agenda item nor any Board actions were conducted during the tour.**

Board Members present: Paul Hansen, Betty Naylor, Brett Chynoweth, Brad Johnson

Division Staff present: Ken Bousfield, Michael Grange, Heather Bobb, Marianne Booth, Jesse Johnson

1. Call to Order – Chairman Hansen

Paul Hansen, Board Chairman, called the meeting to order at 1:32 pm.

2. Roll Call – Ken Bousfield

Board Members present: Paul Hansen, Betty Naylor, Brett Chynoweth and Brad Johnson. Tage Flint arrived at 2:05 pm and left at 3:15 pm, being present for all actions taken by the Board that involved a vote.

Board Members excused: David Stevens and Mark Stevens

Division Staff present: Ken Bousfield, Heather Bobb, Michael Grange, Marianne Booth, Jesse Johnson, Tammy North, Bernie Clark, and Ying Ying Macauley

3. Introductions – Chairman Hansen

Paul Hansen, Board Chairman, welcomed everyone and expressed appreciation to Voneen Jorgensen of Bear River Water Conservancy District and her staff for their hospitality. He

then requested that those in attendance introduce themselves.

Those in attendance were:

- Dale Pierson, Brian Pattee, Terry Smith and Curtis Ludvigson, representing the Rural Water Association of Utah.
 - Rick Moser, Mayor of Apple Valley, Harold Meritt, Chairman Apple Valley Service District, and Rod Mills, representing the Big Plains Water and Sewer Special Service District:
 - Marcus Simons, JUB Engineering, and Marla Trowbridge representing the town of Trenton.
 - John Iverson, Sunrise Engineering, representing Gunnison City.
 - Connie Reed, President of Boulder Farmstead Water Corporation, Ryan Jolley, Jones & DeMille Engineering, and Randy Catmull representing the Boulder Farmstead Water Corporation.
 - Alane Boyd representing the Intermountain Section of AWWA.
- Chairman Paul Hansen suggested that the agenda be rearranged and informational items only be presented first; allowing time for Board member Tage Flint to arrive and be present for all items needing a vote.

7. AWWA Intermountain Section Report – Alane Boyd

Alane Boyd, Executive Director, Intermountain Section of the American Water Works Association, thanked Ken Bousfield and the Division staff for their support and attendance at their Mid-Year Conference. She stated that the sessions for Operator Certification were very successful and she appreciated the assistance of Ying Ying Macauley and Kim Dyches. Alane also mentioned that their Annual Conference will be held September 10th through the 12th at the Dixie Center in St. George, where Ken Bousfield and Division staff will also attend to offer support and assist with operator training and testing. She went on to state that Wednesday is operator day and Friday will be student and young professional's day, and that there will also be a lot of focus on public officials and members of various boards.

Alane then reported on Water Week and the many events that are scheduled throughout the state including the Division of Water Resources calendar contest. She noted that the Intermountain Section of AWWA takes part in a library program, where they send out a water related children's book to all of the libraries in Utah and Southeast Idaho, and the librarians host a book reading. This year's book was Follow the Water from Brook to Ocean by Arthur Dorros. Alane also informed the Board that this year they have a photo contest and a video contest. The winning presentation was entitled "Water: From Our Mountains to My Home – Celebrate Safe Water" that was produced by a student at Salt Lake Community College and is available to watch on youtube.com.

8. Rural Water Association Report - Dale Pierson

Dale Pierson, Executive Director of the Rural Water Association of Utah (RWAU), informed the Board that they were in the process of making some internal changes of staff members and as a result Brian Pattee is the new Circuit Rider that will work with DDW to help systems become compliant. Dale then asked Brian to give some background

information on himself. Brian Pattee stated that he worked for Logan City Water for over 30 years, the last 10 of which were primarily taking care of their regulatory compliance and drinking water quality.

Dale then went on to introduce Curtis Ludvigson (Curt) and asked him to report on his new position in the development program that RWAU does in conjunction with the counties throughout the state. Curt began by saying that he has been in this position for about five months now and he believes that some progress is being made in the program. Curt stated that he has met with Michael Grange of DDW and together they went through the priority list and identified Box Elder County and the Six County Area, which is comprised of Sanpete, Sevier, Juab, Millar, Piute and Wayne Counties, as a starting point for his work. Curt went on to state that he has now met with representatives from all of those counties water systems and has provided training and feels they are very receptive to it. He also stated that he has been working with John Chartier, Central Utah District Engineer, to put together a Non-Public Water System Ordinance and will hopefully be adopted into county ordinances and regulations and administered by the local health departments. Curt also stated this was patterned after an ordinance that was adopted in Uintah Basin with the help of Tri-County District Engineer Scott Hacking and he hopes to see this be used as a model ordinance for other small counties as well.

Dale also informed the Board that Clyde Watkins, who was in the development program, has now moved into RWAU's fee based training position.

9. Chairman's Report

Paul Hansen, Board Chairman, let the rest of the Board know that he and Betty Naylor had the pleasure of being able to join DDW staff at their annual planning meeting. He stated that he believed it was very successful with regards to prospective work in the coming year.

Paul also updated the Board on the presentation of two names from the Governor to the Senate for confirmation to the Board on May 21, 2014. They are David L. Sakrisan, Mayor of Moab City and Roger G. Fridal, Mayor of Tremonton

Paul then thanked Voneen Jorgensen and the staff of Bear River Water Conservancy District for their hospitality.

10. Directors Report

Ken Bousfield, Director of DDW, introduced the Division's newest staff member, Bernie Clark. Bernie is in our Engineering Section under the supervision of Ying Ying Macauley. He then invited Bernie to give some background on himself. Bernie started by saying that he has worked as an Environmental Scientist with the surface water program and as a manager of the drinking water program with the EPA in Ohio. Bernie stated that he most recently worked in New Mexico as an engineering consultant project manager.

A. Legislative Audits

Ken Bousfield, Director of DDW, then informed the Board that DDW was the recipient of two legislative audits. Ken stated that one of the audits is to investigate the combining of

water agencies within the State Government and so far they are just asking general questions about the DDW's scope of work. Ken went on to state that the second audit regards the Divisions' rules pertaining to source capacity and their impact on water systems. He went on to state that it is a more extensive audit and has a lot more interest from independent groups and individuals who are concerned that the Board's requirements are excessive. Ken informed the Board that he feels the auditors are very diligent in wanting to learn about water systems and in talking with individual water systems to gather data.

Paul Hansen stated that in his dealings with the auditors that he felt the questions were focused on the 800 gallon storage number, not really the water rights, and wondered if that focus had shifted. Ken let him know that they are looking specifically at the water right associated with the sources as well as the source capacity. Tage Flint stated that he believes the concern is more that the interpretation of the capacity is being used in different ways in different communities. Tage stated that he has heard it is being used as an annual volume requirement in some places and in some cases the feeling is that it locks up too much water by a municipality.

Ken concluded by stating that the audits are a good thing and that upon completion the Division will have the opportunity give an agency response which will be a part of the final report.

B. EPA Audits

Ken informed the Board that the Division also participated in two audits conduct by the EPA. Ken stated that the first audit was looking into the Federal Safe Drinking Water Act and that the Division is meeting their expectations on implementing that Act. The finding of the audit showed that the Division is meeting the requirement of the delegated program and that significant improvement, from the last audit, was made by the Division in implementing the Arsenic and Lead/Copper Rules.

Ken went on to state that the second audit was looking into the SRF program that is authorized by the Board, and noted that the EPA found the accounting in order and requirements of administering this program were followed.

C. Energy Efficiency

Ken reported to the Board on the Energy Efficiency Initiative. Ken stated that he has met with Doug Evans, Manager of the Mountain Regional Water System, who has experience in energy savings, and Steve Jones of Hansen, Allen and Luce, who has perfected the use of hydraulic modeling; and together they are going to develop a guidance document for water systems on energy efficiency.

Ken then went on to state that the Division is working with Frances Bernards, Environmental Scientist with the Executive Directors Office of DEQ, to develop case studies; where water systems have done significant work in saving money and energy, as part of the Pollution Prevention Program; which will be presented at the League of Cities and Towns Annual Conference in September.

4. Approval of the Minutes:

A. February 27, 2014 Board Meeting

B. April 16, 2014 Board Meeting

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

5. Financial Assistance Committee Report

A. Status Report – Michael Grange

Michael Grange, Construction Assistance Section Manager with the Division of Drinking Water (DDW; the Division), reported that by March 31, 2015 the Division is expecting to have about \$6 million dollars in the State Loan Funds available for water improvement projects. Michael updated the Board on the upcoming projects and loan closing dates for Snowville, Price River Water Conservancy District and Woodland Hills; as well as current construction projects for Payson City and Wood Cross City. He also informed the Board that Axtell community which is still showing has been de-authorized and will be removed from the report.

Michael Grange reported that the Federal Program currently has about \$22 million and over the course of the next year Staff is expecting an additional \$16.5 million for a total of almost \$39 million. Michael reported that there are currently \$19.5 million in projects that are waiting to close, \$700,000 in partially disbursed loans, other advancements and agreements, and \$1.5 million in loans and grants for planning. He also reported that the Division is continuing to look for ways to promote the program and encourage the improvement of water systems.

The Board inquired as to whether any of the projects would need an extension or re-authorization for their project. Michael informed them that the loans closest to needing extensions would be for Duchesne County and Herriman. Michael explained that Herriman was authorized just over \$4.5 million, but they are using a special assessment area for their funding, which means they can't bond until they know how much they have actually spent and they are currently getting interim funding until completion of their project. Michael also reported that Herriman has had some set-backs but he expects that they will close late summer to fall of 2015. He then went on to explain that Duchesne is very close to closing, however they have one property they are trying to get an easement for, which has 11 owners, some of which have passed away. He stated that they are working diligently to secure the necessary legal documents to secure this final easement and then they will be ready to move forward.

B. Project Priority List – Michael Grange

Michael Grange, Construction Assistance Section Manager with DDW, proposed to the Board that one new project, Boulder Farmstead Water Company (Boulder), be added to the Project Priority List. He went on to state that Boulder scored 50 points and that their project consists of waterline replacement, repairing pressure reducing stations, new transmission lines, spring collection box repair and a chlorination facility. The Financial

Assistance Committee (FAC) recommends the Board approve the updated Project Priority List.

- Paul Hansen moved to approve the updated Project Priority List. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

C. SRF Applications

i. STATE:

(a) Leamington / De-authorization – Michael Grange

Michael Grange, Construction Assistance Section Manager with DDW, stated that on August 28, 2013 the Drinking Water Board authorized \$56,000 in construction assistance to the town of Leamington to help repair damage to their transmission line and spring that were affected by flooding as a direct result of wildfires in the area. Since that time, Leamington has applied for and been authorized funding by the Community Impact Board. Leamington is now requesting that the Board de-authorize the \$56,000 construction loan. Division staff recommends the Board de-authorize the \$56,000 construction loan to Leamington town.

- Tage Flint moved to de-authorize the \$56,000 construction loan to Leamington. Paul Hansen seconded. The motion was carried unanimously by the Board.

(b) Trenton Town – Michael Grange

Michael Grange, Engineering Manager with DDW, informed the Board that the town of Trenton is requesting financial assistance of \$290,075 to redevelop the Thompson spring. He went on to report that this project has been determined to be an emergency after investigations discovered deep rooted vegetation in the spring collection area which have entered into the collection pipeline, restricting available flow and causing BACT contamination. The total project is estimated to be \$422,130, and Trenton has been authorized a community development block grant of \$132,064. Michael went on to report that the local MAGI for Trenton is \$31,259 or 83% of the state MAGI and their current water bill is approximately \$64 a month, or 2.47% of their local MAGI and that doing a full loan would increase their water bill to approximately \$82 or 3.14% of their local MAGI, and based on this Trenton does qualify for consideration of additional subsidization. He also explained that these numbers are a little different than those that the FAC saw previously due to a second application being submitted with updated financial information. Division staff recommends the Board authorize a loan of \$145,000 at 1.5% interest for 30 years with another \$145,075 in grant.

Marla Trowbridge, of Trenton, addressed the reason for the differing financial information by stating that in 2011 Trenton wrote off about \$33,000 in past due water bills and then in 2012 Trenton spent about \$20,000 to have Val Cotter clean and sanitize equipment, and inspect and take video of the spring collection lines, during which time it was determined that the lines had vegetation intrusion. She went on to state that in normal operating years, Trenton has \$116,000 in operating expenses and loan repayments and brings in about \$126,000 a year. Marla also stated that they have a CDBG grant to repair the Goody spring,

but now they also have the Thompson spring which needs repair as well as a mile and a half of transmission line. Marla also informed the Board that Trenton has a shared spring, known as the Big Birch Complex, which will need repair in the near future. There was some discussion between the Board and Marla regarding this complex.

- Tage Flint moved to authorize a loan of \$145,000 at 1.5% interest for 30 years and another \$145,075 in grant to Trenton town. Paul Hansen seconded. The motion was carried unanimously by the Board.

ii. FEDERAL:

(a) Big Plains – Jesse Johnson

Jesse Johnson, Environmental Engineer for DDW, informed the Board that the Big Plains Water and Sewer Special Service District (BPWSSSD) is requesting \$83,000 to do an aquifer investigation within the Cedar Point water system. Jesse stated that currently there are only 2 of their 5 wells in functioning condition and this investigation would hopefully identify a new potential water source. Jesse reminded the Board that they had previously authorized BPWSSSD a loan to purchase Apple Valley and Cedar Point water systems, at which time Cedar Points issues were known to simply be monitoring issues while Apple Valleys' issues were known to be infrastructure and pressure issues. Jesse also noted that the BPWSSSD had submitted samples for both water systems since the FAC meeting was held. The FAC recommended that BPWSSSD explain the situation in detail before the Board makes a motion.

Rick Moser, Mayor of Apple Valley, took the lead in explaining the situation to the Board. He started by explaining that the water samples not being submitted on time was due to a communication error and since protocols have been put into place that include the water master, Mayor, Chairman and engineers. Mayor Moser also informed the Board that for Apple Valley they have received funds through Rural Development and have awarded a contract to put in a new system and hope to have that project started by early June of 2014. He then moved onto the Cedar Point system informing the Board that since purchasing the water system they have had mechanical failures, needed to replace pumps, and the depth of the water in the wells is now decreasing. Mayor Moser stated that Cedar Point is currently producing only ½ of the water out of the two remaining wells that are functioning. He went on to state that they are requesting this funding to do a study on the aquifer and see if it is possible to rehab the two functioning wells and make them deeper to obtain the water necessary to keep Cedar Point system operating.

The Board inquired as to the plan for the entire process of getting the Cedar Point water system fixed. Harold Meritt explained that through previous funding from the Board BPWSSSD was able to purchase the two water systems, which included infrastructure and water rights, and there is currently funding from Rural Development to put in a new part of the system. Harold went on to state that the funding they are asking for today would be to find the best way to develop new sources for their system; and then with some funds remaining from the purchase they would be able to develop those sources.

The Board also had questions as to whether BPWSSSD was eligible to receive a grant. Jesse Johnson noted that their estimated water bill is projected to be over \$85 a month,

which is 3.17% of their MAGI, which does qualify them to receive a grant, so in the packet there are two scenarios, one for loan and one for grant.

- Paul Hansen moved to authorize a loan of \$41,500 at 0% interest for 5 years and another \$41,500 in principal forgiveness to BPWSSSD. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

(b) Boulder Farmstead – Jesse Johnson

Jesse Johnson, Environmental Engineer for DDW, presented to the Board a request for \$2 million for Boulder Farmstead (Boulder) to replace waterlines, fix pressure issues, add new transmission line, repair a spring box and add a new chlorination facility to their system. Jesse stated that Boulders MAGI is \$19,779 and their current water bill is \$31.79 which is over the 1.75% threshold. The Board also noted that Boulder is a hardship community. The FAC and Division staff recommends the Board authorize a \$1 million loan with 0% interest with an additional \$1 million in principle forgiveness to Boulder Farmstead.

There was discussion between the Board and Boulder Farmstead as to what this funding would be for. Randy Catmull, a system operator for Boulder, informed the board that they have been working on the system for the last 5 years and with this funding they would be able to achieve compliance.

- Tage Flint moved to authorize a loan of \$1 million at 0% interest for 30 years and an additional \$1 million in principal forgiveness. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

(c) Gunnison City – Michael Grange

Michael Grange, Construction Assistance Section Manager with DDW, reminded the Board that they had authorized a loan of \$2.5 million at 0% interest for 30 years with \$250,000 in principal forgiveness at the February 27, 2014 Board meeting. Michael stated that funding, along with \$4 million received from Rural Development, was to be used for a new well, a new tank, chlorination facilities, extensive waterline replacement, new fire hydrants, new valves for approximately 600 services, and to address arsenic contamination through blending of water from the new well with water from the existing well. He went on to report that since that time, a test well has been drilled; however the water is too high in arsenic to be used for blending purposes. Based on these findings, Gunnison City (Gunnison) has made the decision to construct a water treatment plant to remove the arsenic and be able to come into compliance. Gunnison has received additional funding from Rural Development, yet due to the new American Iron and Steel provisions, it only leaves them with a 1.5% contingency. Michael went on to state that based on this Gunnison is requesting an increase of \$646,000 to provide for the contingency, which would increase their water bill to \$71.78 or 2.48% of their MAGI. . The FAC and Division staff recommends the Board authorize a change in scope and an increase in funding of \$646,000 at the same terms, for a total of \$3.146 million loan with 0% interest for 30 years with \$315,000 in principal forgiveness to Gunnison City.

There was some additional discussion on the American Iron and Steel provision and the impact it is having on prior bids.

- Brett Chynoweth moved to authorize a change in project scope and increase funding of \$646,000 as the same terms, for a total of a \$3.146 million loan at 0% interest for 30 years with \$315,000 in principal forgiveness. Paul Hansen seconded. The motion was carried unanimously by the Board.

iii. OTHER:

6. Authorization to Initiate Rule Revision- Tammy North

A. R309-545 Drinking Water Storage Tanks

B. R309-550 Transmission and Distribution Pipelines

- Tage Flint, having read the proposal and due to time constraints, moved to approve initiation of the rulemaking process with subsequent explanation to follow the motion. Betty Naylor seconded. The motion was carried unanimously by the Board.

Tammy North, Environmental Engineer with DDW, then informed the remaining Board members, that the Engineering Section of DDW is systematically updating their rules. She reminded them that at the February Board Meeting, they were included as an informational item. Tammy went on to state that since February DDW has had an informal comment period available to the public on their website, and has now taken those comments into consideration and updated the rules, and these are now ready to be sent to the Division of Administrative Rules where a formal comment period will commence.

The Board had questions as to what kind of comments DDW had received during the informal comment period. Tammy stated that the biggest concern was the addition of a PRV requirement which has not been included previously. She noted that included was a 120 psi limit and there were concerns on that limitation, specifically on existing systems where they are exceeding that pressure already and in some mountainous areas where that might not be appropriate. Tammy went on to state that due to those concerns, it had been changed to 150 psi and will only apply to new systems, not existing systems. Paul Hansen, Board Chairman, also noted that the Executive Secretary of the Board has the discretion of allowing modification to the rule on a case by case basis.

Tammy also pointed out that included as a packet item were two sets of rules, one being the Division of Administrative Rules and the second being formatted by DDW with guidance paragraphs to help explain what the intention of the rules are.

11. Date of Next Drinking Water Board Meeting:

Date: July 18, 2014
Time: 1:00 PM
Location: Multi Agency State Office Building
Room 1015
195 North 1950 West
Salt Lake City, Utah 84116

12. Other

13. Adjourn

- Betty Naylor moved to adjourn the Drinking Water Board Meeting. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

Meeting adjourned at 3:22 pm.

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Brooke Baker, Office of Human Resources, at: (801) 536-4412, TDD (801) 536-4424, at least five working days prior to the scheduled meeting.