



State of Utah

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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
Roger G. Fridal
Brad Johnson
David L. Sakrison
David Stevens, Ph.D.
Mark Stevens, M.D.
Kenneth H. Bousfield, P.E.
Executive Secretary

DRINKING WATER BOARD MEETING
Friday, July 18, 2014 - 1:00 pm
Multi Agency State Office Building; Room 1015
195 North 1950 West
Salt Lake City, Utah 84116

FINAL MINUTES

- ❖ **A Board Member training and a tour of the Jordan Valley Water Conservancy District Southwest Groundwater Treatment Plant were conducted prior to the Board meeting. Neither discussion of any agenda item nor any Board actions were conducted during the tour.**

Board Members present for the training and the tour: Betty Naylor, Brad Johnson, Roger Fridal, David Stevens, and David Sakrison

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

Board Member Tage Flint joined the group for the tour of the Jordan Valley Water Conservancy District Southwest Groundwater Treatment Plant.

1. **Call to Order – Betty Naylor**

Betty Naylor, Board Vice Chairman, called the meeting to order at 1:00 pm.

2. **Roll Call – Ken Bousfield**

Board Member present: Betty Naylor, Roger Fridal, Brad Johnson, David Sakrison and David Stevens. Tage Flint arrived at 1:47 pm, being absent for all actions taken by the Board that involved a vote.

Attending Telephonically: Mark Stevens

Board Members excused: Paul Hansen and Brett Chynoweth

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

Tammy North, Bob Hart, Brad Holdaway, and John Oakeson.

3. **Introductions – Betty Naylor**

Betty Naylor, Board Vice-Chairman welcomed everyone and requested that the Board Members introduce themselves and state what position they represent on the Board.

They are (in no particular order):

- Brad Johnson, Deputy Director for the Department of Environmental Quality (DEQ), representing Amanda Smith, Executive Director of DEQ
- David Stevens, Utah State University and Utah Water Research Lab, representing higher education.
- Betty Naylor, Vice-Chairman, representing non-governmental organizations.
- Ken Bousfield, Director of the Division of Drinking Water (DDW, the Division), Executive Secretary of the Board
- David Sakrison, Mayor of Moab City
- Roger Fridal, Mayor of Tremonton
- Mark Stevens, Medical Doctor and Trauma Surgeon at Primary Children's Hospital and Intermountain Medical Center, representing the medical field.

Betty then expressed appreciation to the two new Board members, David Sakrison and Roger Fridal, and gave them the opportunity to give some background information about themselves.

- David Sakrison is currently in his 4th term as Mayor of Moab and has been in local politics for 30 years. He is married and has lived in Moab for 40 years.
- Roger Fridal is currently in his 2nd term as Mayor of Tremonton. Prior to being Mayor, he was a dairy farmer for 35 years.

Betty then requested that those in the audience introduce themselves.

Those in attendance were:

- Dale Pierson, Brian Pattee, Terry Smith and Curtis Ludvigson, representing the Rural Water Association of Utah.
- Alane Boyd, representing the Intermountain Section of AWWA.
- Milt Shipp, President of White Hills Water Company, and Steve Jackson, Jackson Engineering, representing the White Hills Water Company
- Jeff Coombs, Tooele County Health Department, Mark Whitney, Mayor of Stockton, and John Iverson, Sunrise Engineering, representing the town of Stockton.
- Mary Darling, Joseph Elmworth, and Casey Cross, members of the public.

4. **Approval of the Minutes:**

- A. May 9, 2014 Board Meeting**
- B. June 17, 2014 Board Meeting**

- David Stevens moved to approve both sets of minutes. David Sakrison 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, reported that currently the State Loan Fund is almost \$1 million in the red, however over the course of the next year the Division is expecting an additional \$5.5 million to come into the fund, from tax revenues and repayments, therefore, through to July 1, 2015, the fund is projected to have \$4.75 million available to fund drinking water projects.

Michael went on to report that the Federal Fund currently has just over \$30 million, which includes the recent capitalization grant that the Division received as well as repayments, and over the course of the next year the Division is expecting another \$15 million to come into the fund. By July 1, 2015 the fund is projected to have \$45.5 million to fund drinking water projects.

He then went on to inform the Board, that since the May 9th Board meeting, Division staff has closed 5 loans for projects equaling roughly \$19 million in value, and are currently under construction.

B. Project Priority List – Michael Grange

Michael Grange, Construction Assistance Section Manager with the Division, proposed to the Board that two new projects be added to the project priority list. The first is Marble Hills Water Company, with 100 points, and their project would consist of replacing the pump and their well. He went on to state that their well house was struck by lightning and is an emergency project. The second is the White Hills Water Company, with 25.4 points, and their project would consist of water line replacement, tank rehabilitation and a new pressure reducing valve. The Financial Assistance Committee (FAC) recommends the Board approve the updated Project Priority List.

- Betty Naylor moved to approve the updated project priority list. David Sakrison seconded. The motion was carried unanimously by the Board.

C. SRF Applications

i. STATE:

ii. FEDERAL:

a) White Hills Water Company – Michael Grange

Michael Grange, Construction Assistance Section Manager with DDW, stated that the White Hills Water Company (WHWC) is requesting \$1,037,000 to replace approximately 4,000 linear feet of 10 inch steel pipe, install air/vac stations at high points in their system, install a pressure reducing valve station, install security fencing around both of their wellheads and well control buildings, and rehab two of their ground steel tanks interiors and exteriors, in an effort to improve service to the White Hills Country Estates area. He

then informed the Board that the WHWC has been annexed into Eagle Mountain City and there is a negotiated transfer agreement in place, one condition being that these improvements be fulfilled. WHWC has previously received financial assistance from the DWB and are currently making their annual payments. WHWC has a local MAGI is \$47,386, which is approximately 120% of the State MAGI. Their current water bill is \$56, which is 1.42% of the local MAGI. The proposed financial assistance would increase their water bill to \$84.51, which is 2.14% of the local MAGI. The FAC recommends that the DWB authorize \$1,037,000 to White Hills Water Company, with 1% interest or fee per annum, for 30 years, with \$518,000 in principal forgiveness on the condition that WHWC resolve the issues on their compliance report.

In response to some questions from the Board, Steve Jackson, Jackson Engineering, informed the board that White Hills Water Company, located to the west of Eagle Mountain City, was originally part of a subdivision development built in the late 70's or early 80's and serviced approximately 120 lots from a single well, with two steel storage tanks and steel pipelines. He went on to state that the ground surrounding the subdivision was recently annexed into Eagle Mountain and there is a negotiated agreement, where upon completion of the improvements identified, including replacement of the steel pipe with PVC, Eagle Mountain will take over and operate the system. He then went onto inform the Board that another stipulation of the agreement is that the costs for these improvements will be borne by the customers utilizing this system and they will have a separate water rate from other residents, but would still be administered by Eagle Mountain City. He also let the Board know that the agreement in place is considered a conveyance through a transition agreement, or a conveyance of facilities.

- Roger Fridal moved to authorize a \$1,037,000 loan to White Hills Water Company at 1.0% interest or fee per annum, for 30 years, with \$518,000 in principal forgiveness with the condition that they resolve all issues on their compliance report. David Stevens seconded. The motion was carried unanimously by the Board.

b) Marble Hills Water Company – Michael Grange – 1:19:10

Michael Grange, Construction Assistance Section Manager with DDW, stated that the Marble Hills Water Company (MHWC), located 10 miles west of Tremonton, is requesting \$28,167 to replace a well pump that was damaged by lightning strike in April, and has been determined to be an emergency project. He went on to state that due to the emergency nature, MHWC has already completed the repairs and is simply requesting this as a reimbursement of monies already spent. MHWC has a local MAGI of \$41,806, which is approximately 105% of the State MAGI. Michael noted to the Board, that MHWC is not in agreement with this number and does not feel it accurately reflects the financial condition within the company's service area, however they have not had time to pursue a third party income survey as of now. MHWC's current water bill is \$14 which is .46% of the local MAGI. The proposed financial assistance would increase their water bill to \$58 which is 1.67% of the local MAGI. The FAC recommends that the DWB authorize a loan of \$28,167, with \$28,167 in principal forgiveness.

- David Stevens moved to authorize a \$28,167 loan to Marble Hills Water Company at 2.98% interest, for 20 years, with \$28,167 in principal forgiveness, making note that the Board does not want to set a precedent for future projects with this motion.

This motion is made due to the low amount of the loan requested, the cost of bonding the loan and the circumstances surrounding the project. Mark Stevens seconded. The motion was carried unanimously by the Board

iii. OTHER:

6. Selection of Financial Assistance Committee Members

Betty Naylor, Vice-Chairman of the Drinking Water Board, gave a quick overview of the responsibilities of the Financial Assistance Committee, which is reviewing proposals and making recommendations via teleconference, about 30 days prior them being presented at the Board meeting. She went on to state that this is an opportunity to ask questions, receive answers or request more information but that no formal decisions are made, just recommendations. Betty noted that Chairman Paul Hansen, David Stevens and herself would like to stay on the committee, leaving one open spot. Roger Fridal volunteered to fill the position.

- David Sakrison moved to appoint Roger Fridal to the position on the Financial Assistance Committee. Mark Stevens seconded. The motion was carried unanimously by the Board

7. Authorization for a Change in Proposed Rule – Tammy North

A. R309-545 Drinking Water Storage Tanks

B. R309-550 Transmission and Distribution Pipelines

Tammy North, Environmental Engineer with DDW, reminded the Board that at the May 9th meeting they had authorized the Division to go forward with a proposed rule changes for R309-545 Drinking Water Storage Tanks and R309-550 Transmission and Distribution Pipelines. She went on to state that since the authorization, the Division filed those changes with the Division of Administrative Rules (DAR) and a 30 day public comment period was opened and has now closed. Division staff has read through the comments and made some additional changes in response to those comments as well as some language and wording changes, therefore they are coming before the Board to again request authorization to go forward with the new proposed rule change for R309-545 and R309-550.

In response to questions from the Board, Bob Hart informed the Board, that the Division staff takes time to study and review the rules before they make rule revisions, however due to new insights and comments received, they are required go through them and decide if more revisions are needed, and if a new revision is made it is required to be authorized by the Board, then submitted to DAR and another additional 30 day public comment period opened. Ken Bousfield, Director of DDW, also added that during the first 30 day comment period, people who may have reviewed the rule changes, found nothing wrong, and made no comment, need the opportunity to review the new changes and make comment.

- Betty Naylor moved to authorize the Change in Proposed Rule for R309-545, Drinking Water Storage Tanks and R309-550, Transmission and Distribution Pipelines. David Sakrison seconded. The motion was carried unanimously by the Board

8. Authorization to Initiate Rule Revision – John Oakeson

A. R309-400 Water System Rating Criteria

John Oakeson, Environmental Scientist with DDW, reported to the Board that the changes requested to R309-400, Water System Rating Criteria, are necessary to incorporate the adoption of the Groundwater Rule, as well as to correct formatting, language, and outdated references. He went on to inform the Board that this rule is a tool for prioritizing the Division's enforcement and technical assistance resources. Division staff recommends that the Board authorize staff to proceed with the filing for substantive changes to R309-400, Water System Rating Criteria, with the DAR for adoption.

- David Sakrison moved to authorize Division staff to Initiate Rule Revision of R309-400 Water System Rating Criteria. Roger Fridal seconded. The motion was carried unanimously by the Board

9. Rural Water Association Report – Dale Pierson

Dale Pierson, Executive Director of the Rural Water Association of Utah (RWAU), explained that RWAU is an association made up of water systems whose primary purpose is to provide training to all water systems in the State of Utah, either in a classroom setting or onsite, and is made possible by federal and state funds. He went on to state that as part of the Board packet was a recent letter to Charles Jeffs of RWAU, that he felt showed the appreciation that systems have for RWAU and the work they do. Dale then stated that some of the RWAU employees were in attendance and would like them to take a minute to introduce themselves and explain what their roles are.

Curt Ludvigson informed the Board that his position with RWAU is to work with counties in assuring that development takes place in the outlying areas with the proper infrastructure. Curt then passed out to the Board a brochure entitled 'Developing Adequate Infrastructure' that he takes with him when meeting with building authority, planning and zoning, commissioners, and others who are involved in the processes. He then went onto explain that he and Michael Grange of the Division had identified the Six County area, which includes Sanpete, Sevier, Juab, Millard, Piute and Wayne, as a good place to start on this, and Curt is currently working with John Chartier, Central Utah District Engineer for the Division. They are working to put together a non-public drinking water system ordinance that hopefully will be adopted and implemented by the Central Utah Public Health Department and then throughout the State.

Ken Bousfield added that this is an important project for the Board because this will ensure that water systems infrastructure is adequate for future growth and the eventuality of becoming a compliant public water system.

Brian Pattee, Compliance Circuit Writer for RWAU, informed the Board that his responsibility is to work with systems that have high IPS points to resolve their compliance issues. He stated that often, it seems, their issues are sampling, or lack of it, and feels that may be due to the lack of a certified operator, communication between an operator and the cities officials, or simply the high cost of sampling.

Terry Smith, Management Technician for RWAU, explained to the Board that his job is to work with water systems in the area of capacity development, which means he helps them with ordinances, policies, procedures, evaluation of their water rates through rate studies, and to obtain funding for projects. Terry also let the Board know that his prior title was Compliance Circuit Writer for RWAU, and it was his experience that the operators in the smaller water systems have other responsibilities, such as being the town Sexton over the Cemetery or overseeing the town dump, and he feels that often operators are unable to keep up with the work load which, in turn, causes the non-compliance issues.

10. Chairman's Report

Betty Naylor, sitting in for Chairman Paul Hansen, stated that she didn't have anything to report.

11. Directors Report

Ken Bousfield, Director of DDW, started out by notifying the Board of a recent fire in the Town of Stockton (Tooele County) that destroyed the roof on their water storage tank, which then collapsed into the tank along with the applied fire retardant. He then stated that the Division and Jeff Coombs, Tooele County Health Department, have been working together on the issues. Ken thanked Jeff for his efforts in getting the MSDS and chemical makeup of the fire retardant. This information was helpful to then advise the analytical laboratories on what to look for. With that information, lab work was performed on samples from the tank and in various locations in the distribution system. The results of analysis showed that the retardant was isolated to the tank and was not in the distribution system. With these results Ken and Jeff both agreed that the town could proceed with normal water usage with the exception of human consumption, which includes drinking, teeth brushing, and cooking. Residents were advised that human consumption could resume if two satisfactory bacteriological samples on consecutive days showed no detects.

At Ken's request, Jeff Coombs informed the board that the first bacteriological sample had been taken and the results have come back looking good. He also stated that another round of samples was taken as of the morning of July 18 and they should have the results back by the next day, noting that if those come back good as well, he will consult with Ken and hopefully be able to remove the water restriction on the water in the distribution system.

John Iverson, Sunrise Engineering, also updated the Board on the tank for Stockton. John and an insurance adjustor had assessed the tank, and as of now, they are unsure if the tank can be salvaged, or if they will need a new tank. He then stated that currently they are unable to drain the tank to do a thorough inspection as the EPA will not allow them to drain the tank due to the ammonia polyphosphate fire retardant that is in the water, but they are also working with the State's Division of Water Quality to find a way to resolve that issue. He went onto state that the intent, if possible, would be to go with a new tank as the existing tank is 90 years old and was originally installed for use by the railroad as a reservoir to fill up locomotive boilers. John also informed the board that the roof of the tank was made up of redwood and they have had compliance issues with it in the past, but had just installed a new membrane coating on it.

In response to questions from the Board, Mayor Mark Whitney let them know that they have taken the burned tank out of service and are relying on their 250,000 gallon tank. He stated that the town also has an emergency well that may end up being used, but it has some antimony in it and will have to be blended before use. As for now the town will be on water restrictions until they can repair or rebuild the 500,000 gallon tank and get it operational.

Ken followed up by saying that Michael Grange has been working with the Towns' consultant and they are currently in the process of getting a packet together to bring before the Board.

A. The Division's proposed FY2016 fee schedule

Ken Bousfield explained that on June 30th, a letter was sent out to the water systems throughout the State notifying them of proposed changes to the Division's fiscal year 2016 fee schedule. He stated that the increases are based on projections that the SRF fund will be down roughly \$2 million from the prior year and that a portion of the SRF grant is used for administrative purposes on a percentage basis. He then explained that the Division is proposing $\frac{1}{4}$ of 1% of the estimated construction costs with a minimum fee of \$250 and a maximum fee of \$5,000 and based on projections would keep the fund where it needs to be. He then notified the Board that the Department of Environmental Quality and all of its Divisions will have a fee hearing sometime in September, with a public comment period announcement being made in August.

B. EPA Audit Letter

Ken Bousfield also reminded the Board that the Division has been the subject of two audits recently, one is a financial audit of the SRF program and the other is a program audit on the implementation of the Federal Safe Drinking Water Act. He then referred them to the report in the Board's packet and pointed out that overall this is a positive report. He then discussed an issue in the report related to unliquidated obligations, which is grant money that has been awarded for projects but is not being utilized, and explained that this reflects poorly on the EPA and the program when more funding is requested from Congress.

12. Next Board Meeting:

Date: August 27, 2014

Time: 2:00 pm

Place: Davis Conference Center
Zephyr Room
1651 North 700 West
Layton, Utah 84041

Betty Naylor announced that the next Board meeting is being held in conjunction with the RWAU 2014 Fall Conference.

Dale Pierson, Executive Director of the Rural Water Association of Utah (RWAU), took a moment to inform the Board that they are welcome to attend the conference in entirety as

guests of RWAU, and that he feels it is a good opportunity for them to meet the water operators, managers, and council members from around the State.

13. **Other**

14. **Adjourn**

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

Meeting adjourned at 2:11 pm.

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Dana Powers, Office of Human Resources, at: (801) 499-2117, TDD (801) 536-4414, at least five working days prior to the scheduled meeting.