



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
Wednesday, August 27, 2014 – 2:00 pm
Davis Conference Center, Zephyr Room
1651 North 700 West
Layton, Utah 84041

FINAL MINUTES

1. **Call to Order – Chairman Hansen**

Paul Hansen, Board Chairman, called the meeting to order at 2:05 pm.

2. **Roll Call – Ken Bousfield**

Board Members present: Paul Hansen, Betty Naylor, Tage Flint, Roger Fridal, and David Sakrison.

Board Members excused: Brett Chynoweth, Brad Johnson, David Stevens, and Mark Stevens

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

3. **Introductions – Chairman Hansen**

Paul Hansen, Board Chairman, welcomed everyone to the meeting and requested that those in the audience introduce themselves.

Those in attendance were:

- Brian Pattee and Curtis Ludvigson representing the Rural Water Association of Utah.
- Roger Fulgham representing the Rural Water Association of Utah and Tremonton City.
- Henry Allred, Board Member, representing Cedarview Montwell Special Service District.

4. **Approval of the Minutes:**

A. July 18, 2014 Board Meeting

- Tage Flint moved to approve the minutes. Roger Fridal seconded. The motion was carried unanimously by the Board.

❖ Paul Hansen, Board Chairman, requested that agenda item number 7 be addressed next as Tage Flint may have needed to leave the meeting in order to make a previously scheduled flight. Item number 7 was the only other item requiring a vote by a quorum of Board Members, and with Tage absent, there would not be a quorum to act.

7. **Operator Certification Commission Member Appointment – Ken Bousfield**

Ken Bousfield, Director of the Division of Drinking Water (DDW, the Division) informed the board that Jim Callison’s current term on the Operator Certification Commission (OCC) will be over at the end of this year and as Jim has served very well, Division staff recommends appointing him to a new term.

In response to questions, Ken informed the Board that Jim is associated with Utah Valley University and represents the Joint Training Coordinating Committee.

- David Sakrison moved to re-appoint Jim Callison to the Operator Certification Commission for another 3 year term. 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, reported that the State Loan Fund currently has just over \$200,000, and with the \$5.5 million in expected funding, the Division is projecting the fund will have approximately \$5.8 million by August 1, 2015.

Michael Grange also reported that the Federal SRF currently has \$31 million and with the expected \$15 million in funding, the Division is projecting the fund will have approximately \$46.5 million by August 1, 2015.

Michael then gave some background information on the funding, stating that two competing proposals for funding go before Congress; one from the House, approximately \$755 million this year; and one from the Senate, approximately \$900 million this year. He then explained that this money is allocated based on a Drinking Water Infrastructure Needs Survey conducted by the US EPA, and in 2011 Utah fully participated and is recognized as a 1.04% state, meaning that Utah will get 1.04% of the total Drinking Water SRF amount authorized by Congress.

Michael updated the Board on the Town of Stockton, reminding them of the fire that burned their main water storage tank. He then went on to state that Stockton is currently

working with their insurance company on funding and requirements; and that as soon as that is worked out, Stockton will work with Division staff to put together a packet to bring before the Board. Michael also stated that in talking with other engineers, there could be additional new projects coming before the Board, ranging from \$2 to \$4 million.

In response to questions from the Board, Michael updated them on the status of the funds that were authorized but not yet closed. They were (in no particular order):

- Wooden Shoe Water Company: Closed after the printing of the handout.
- Pleasantview City: Authorized \$1.97 million in January 2014. Still considering whether to accept or not. They have until January 2015.
- Duchesne County, Victory Pipeline: Still in the process of procuring easement rights and their authorization from the Bureau of Indian Affairs needs to be modified. Estimated closing is the end of September 2014.
- Herriman: Authorized \$4.5 million in March 2012. Using a special assessment area to repay their bond. They are currently using interim financing until construction is complete and then will close for the exact amount.
- Greendale Water Company: They are still going through a public comment period.
- Sheep Creek Cove: No current update.
- Forest Glen A: Their authorization from the Forest Service stated that DDW would be responsible for design and construction of the infrastructure, and will have to be modified as that is incorrect. Estimated closing is November or December or 2014.
- Boulder Farmstead: Authorized in May 2014. No current update.
- White Hills Water Company: Because they have been authorized within the last 2 or 3 years, the attorney can use some information on the new documents; this will speed up the process for them. Estimated closing is January to February of 2015.

6. **Drinking Water Energy Efficiency**

A. Documents and Presentations - Ken Bousfield

- i. Cost Saving Opportunities Through Implementing Energy Efficiency Strategies**
- ii. Conserving Energy and Power in a Water System**
- iii. Rural Water Association of Utah Energy Efficiency Presentation**

Ken Bousfield, Director of DDW, introduced DDW's Drinking Water Energy (Cost) Savings Handbook (handout 6(A)(i)) that the Division has prepared, in conjunction with individuals as noted on the Acknowledgement page of the Handbook. Ken explained each chapter of the handbook as follows:

- 1) Introduction section, which gives information on the energy savings potential, how to use the handbook, finding the right consultant, and the Board's SRF fund.
- 2) Energy Saving Investigation Process, which hasn't yet been finalized, will list energy saving ideas. This chapter will be divided into three sections:
 - a) things water system personnel can do
 - b) things water system personnel can do with the help of consultants, and
 - c) things involving construction and/or equipment replacement.

This chapter will be provided by Doug Evans, who has already achieved a savings of \$300,000 per year for his water system (handout 6(A)(ii)).

- 3) Funding Opportunities which addresses available funding options and step by step instructions on how to procure it.

4) Appendix which will have web links containing helpful and supporting information.

Ken went on to explain that DDW staff will be giving presentations on this handbook (handout 6(A)(iii)) at this RWAU 2014 Fall Conference, August 28, 2014, the Intermountain Section of the American Water Works Association's Annual Conference on September 11th, the League of Cities and Towns 2014 Annual Conference on September 12th, and the RWAU 2015 Annual Conference in February 2015. Ken also stated that they are hoping to present it at the 2015 Utah City Engineer Conference, January 22nd and 23rd, as well.

i. Water Energy Summit

Ken Bousfield informed the Board that Senator Margaret Dayton, (R-Utah), is promoting a Water Energy Summit that will be held on Thursday, January 22, 2015 at the Utah Government Trust Building. Ken stated that the Utah Office of Energy Development, Senator Dayton and he, all have differing topics and the agenda has not yet been finalized. Handout 6(A)(iv) lists Ken's ideas for the Summit.

B. Drinking Water Boards Direction on Interest Rate Reductions for Energy Efficient Applicants – Michael Grange

Michael Grange started out by posing 3 questions to the Board; what kind of incentive do we offer for implementing energy efficiency; how much of an incentive do we offer; and how do we apply that incentive? He then explained that there are different levels of energy audits; level 1 is a planning audit, level 2 includes the low cost or no cost measures, and level 3 audits will involve capital intensive measures. Michael then posed the question of whether to base the incentive on a modification of table 2 calculations (a series of calculations used to determine the interest rate on authorized funding) or to offer a direct interest rate reduction?

Michael then explained that the handout included what the audit levels were and some different examples and ideas from Division staff on how to apply incentives. Michael also made sure to note that this process is just beginning and these are just some talking points for the Board to consider and deliberate on, not a recommendation from the Division.

After a lengthy discussion, including the Green Project Reserve Option, standard criteria on conducting audits, generating reports, baselines for water systems, determining bonus points, thresholds, et cetera; the Board decided that it would take the time to do research and then meet the morning of the November 7, 2014 Drinking Water Board meeting to further discuss this item and get input from other Board members before making any decisions on incentivizing energy efficiency.

8. Rural Water Association Report – Dale Pierson

Curtis Ludvigson, Development Specialist for RWAU, apologized on behalf of Dale Pierson, Executive Director of RWAU, for his absence, as Dale had a conflicting out of state meeting and expressed appreciation to the Board for their attendance at the Conference.

9. Chairman's Report

Paul Hansen, Board Chairman, had nothing additional to report.

10. Directors Report

Ken Bousfield mentioned that DDW was seeking authority to implement a Certification Program for Energy Efficiency counselors. The target audience would be engineers and water system personnel. Ken directed the Board's attention back to Doug Evans' list of improvement ideas (handout 6(A)(ii)) and noted that it included more than 300 ideas. He went on to explain that the certification program is intended to ensure that advice givers are cognizant of the breadth of available ideas. Ken went on to explain that he would need statutory authority and funding to implement the Certification Program.

11. Next Board Meeting:

Date: November 7, 2014
Time: 1:00 pm
Place: 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. Roger Fridal seconded. The motion was carried unanimously by the Board.

Meeting adjourned at 3:02 pm.

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