



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Department of
Environmental Quality

Alan Matheson
Executive Director

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

Drinking Water Board
Paul Hansen, P.E., *Chair*
Betty Naylor, *Vice-Chair*
Brett Chynoweth
Tage Flint
Roger G. Fridal
Alan Matheson
David L. Sakrison
David Stevens, Ph.D.
Mark Stevens, M.D.
Kenneth H. Bousfield, P.E.
Executive Secretary

DRINKING WATER BOARD MEETING

July 8, 2016 – 1:00 pm
Vernal City Hall
374 East Main Street
Vernal, Utah 84078

FINAL MINUTES

- ❖ **A tour of the Greendale Water System was conducted at 8:00 am, 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, Tage Flint, and David Stevens

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

- ❖ **Immediately following the tour, and prior to the Board meeting, the group went to lunch. Neither discussion of any agenda item nor any Board actions were conducted during this time.**

Board Members present: Paul Hansen, Betty Naylor, Brett Chynoweth, Tage Flint, and David Stevens.

Division Staff present: Ken Bousfield, Michael Grange, Rich Peterson, and Gary Kobzeff

1. Call to Order – Chairman Hansen

Paul Hansen, Board Chairman, called the meeting to order at 1:00 pm.

Paul expressed appreciation to Ken Basset for hosting the Board meeting in Vernal's City Hall and noted that it was a wonderful experience for the Board to be able to tour the completed Greendale water system project.

2. **Roll Call – Ken Bousfield**

Board Members present: Paul Hansen, Betty Naylor, Brett Chynoweth, Tage Flint, David Sakrison, and David Stevens.

Board Members excused: Brad Johnson, Alan Matheson, Roger Fridal and Mark Stevens

Division Staff present: Ken Bousfield, Michael Grange, Heather Bobb, Marianne Booth, Gary Kobzeff, Nathan Hall, Rich Peterson, and Bernie Clark.

3. **Approval of the Minutes:**

A. **May 13, 2016**

- Betty Naylor moved to approve the minutes. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

4. **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 there is currently \$2.2 million in the State SRF fund and over the course of the next year the Division is expecting an additional \$4.7 million to come into the fund, for a total of approximately \$6.9 million to be available for funding of projects. He informed the Board that Trenton Town and Sterling City having been authorized, are in the process of being able to close on their loans. He also informed the Board that Helper City and Daggett County/Dutch John have closed their loans and their projects are now under construction.

Michael then reported that there is currently \$17.5 million in the Federal SRF fund and over the course of the next year the Division is expecting an additional \$17 million to come into the fund, for a total of approximately \$34.5 million to be available for funding of projects.

B. **Project Priority List – Michael Grange**

Michael Grange proposed that the following four new projects be added to the project priority list:

- Old Irontown, with 43.3 points, and a project consisting of a new 300,000 gallon tank and a transmission line.
- Virgin Town, with 41.4 points, and a project consisting of a new 500,000 gallon tank and a transmission line.
- Big Water Town, with 18.5 points, and a project consisting of a tank refurbishment, installation of radio read meters, and a distribution line.
- Thatcher Penrose, with 8.1 points, and a project consisting of water line replacement.

The Financial Assistance Committee (FAC) recommends that the Board approve the updated project priority list.

Betty Naylor, Board Vice-Chair, noted that Thatcher Penrose, though being added to the project priority list today, will not come to Board for action on their project at this time.

- David Stevens moved to approve the updated project priority list. Paul Hansen seconded. The motion was carried unanimously by the Board.

C. SRF Applications

i. STATE:

a) Big Plains SSD – Rich Peterson

Representing Big Plains SSD (Big Plains) was Kelly Crane of Ensign Engineering.

Rich Peterson, Environmental Engineer with the Division, informed the Board that Big Plains is requesting \$176,000 in financial assistance to upgrade their well house and transmission line. The local MAGI for Apple Valley is \$32,468, which is 77% of the State MAGI. Their water bill after funding is expected to be 2.36% of the local MAGI, therefore they do qualify for additional subsidization. The FAC recommends that the Board authorize an \$88,000 construction loan at 0% interest for 20 years with \$88,000 in grant with the condition that they resolve all issues on their compliance report, namely missing lead and copper sampling.

There was discussion between the Board, Division Staff, and Kelly Crane regarding where this system is located in regards to the other Apple Valley system and that it is a separate system. There was also discussion regarding the lack of lead and copper samples and that those will be submitted before loan closing.

- Tage Flint moved to authorize an \$88,000 construction loan at 0% interest for 20 years with \$88,000 in grant to Big Plains on the condition that they resolve all issues on their compliance report, namely missing lead and copper sampling. David Sakrison seconded. The motion was carried unanimously by the Board.

b) Koosharem – Nathan Hall

Representing Koosharem was Jeff Hatch, Town Councilman, and Lynn Wall of Wall Engineering.

Nathan Hall, Environmental Engineer with the Division, informed the Board that Koosharem is requesting \$40,000 in financial assistance to install an epoxy coating liner on the inside of their existing water tank; and that Koosharem will also contribute \$40,000 toward the total estimated project cost of \$80,000. He informed the Board that Koosharem is also requesting that any remaining monies be pre-authorized to be used to install an epoxy coating liner on their second tank. The local MAGI for Koosharem is \$34,441, which is 82% of the State MAGI. Their current average water bill is \$21, or 0.74% of the local MAGI therefore Koosharem does not qualify for additional subsidization. However Division Staff feels that the Board should also take into consideration that closing costs on a \$40,000 loan would be substantial in comparison to the loan amount and the potential for health risks are high with the added time of bonding. The FAC recommends that the Board

authorize a \$40,000 grant to the Town of Koosharem for installation of a storage tank liner/coating.

There was discussion between the Board, Division Staff, and those representing Koosharem regarding the use of the epoxy liner coating versus other options. Lynn Wall informed the Board that this same application was used in a water tank at the Whispering Pines Water Company in Mt. Pleasant two years ago when they had the same spalling issue and as of last week, when he talked with them, they have had no issues with the liner. There was also discussion regarding the hope to have enough money to do both tanks, and Lynn and Nathan informed the Board that there is no real expectation of that; the preauthorization is more to allow it in the event they are able to get the liner for the first tank around \$40,000 as was estimated by Commercial Industrial Membrane.

- Paul Hansen moved to authorize a \$40,000 grant to the town of Koosharem for the installation of a storage tank liner/coating with the added condition that any remaining monies are also authorized to be used to install an epoxy coating liner on their second tank. David Stevens seconded. The motion was carried unanimously by the Board.

ii. FEDERAL:

a) Virgin Town – Nathan Hall

Representing Virgin Town was Kelly Crane of Ensign Engineering. Kelly apologized on behalf of the community that they were unable to attend.

Nathan Hall informed the Board that Virgin Town (Virgin) was requesting \$1,120,000 to construct a 0.5 million gallon storage tank and replace undersized water lines in their distribution system. The local MAGI for Virgin is \$38,523, which is 92% of the State MAGI. Their current average water bill is \$69.26, or 2.16% of their local MAGI, therefore Virgin does qualify for additional subsidization. Division Staff presented three options to the FAC. The FAC recommends that the Board authorize a \$1,120,000 construction loan at 0% interest for 30 years to Virgin for construction of a storage tank and water lines.

There was discussion between the Board, Division Staff, and Kelly Crane regarding how this new tank would be on the opposite side of the water system helping to balance it out hydraulically.

- David Stevens moved to authorize a \$1,120,000 construction loan at 0% interest for 30 years to Virgin for the construction of a storage tank and water lines. Tage Flint seconded. The motion was carried unanimously by the Board.

b) Irontown – Nathan Hall

Representing Irontown was Kelly Crane of Ensign Engineering. Kelly apologized on behalf of the community that they were unable to attend.

Nathan Hall informed the Board that Irontown is requesting \$474,000 in financial assistance to construct a 300,000 gallon tank and replace approximately 2800 feet of

transmission line. He then informed the Board that in March of 2016 Division Staff had authorized Irontown a planning grant to develop a Master Plan and during the preliminary evaluation it was noted that the existing steel tank was developing leaks and damage that was too extensive to repair. The local MAGI for Irontown is \$32,103, which is 77% of the State MAGI. Their current average monthly water bill is \$58, or 2.17% of the local MAGI, so Irontown does qualify for additional subsidization. Division Staff presented three options to the FAC. The FAC recommends that the Board authorize a \$474,000 construction loan at 0% interest for 30 years with \$95,000 in principal forgiveness to Irontown for construction of a storage tank and transmission water line.

There was discussion between the Board, Division Staff, and Kelly Crane regarding the master plan that has been submitted to Division Staff and is currently under review, the potential for regionalization of the system in the next ten years, and that there had been some community input as this would raise water rates considerably.

- Paul Hansen moved to authorize a \$474,000 loan at 0% interest for 30 years with \$95,000 in principal forgiveness to Irontown for the construction of a storage tank and transmission water line. David Stevens seconded. The motion was carried unanimously by the Board.

c) Glen Canyon/Big Water – Gary Kobzeff

Representing Glen Canyon/Big Water (Big Water) was Bruce Williams of Zions Public Finance, Jennifer Johnson, Treasurer/Recorder, and David Schmuker, Mayor/Water Operator.

Gary Kobzeff, Environmental Engineer with the Division, informed the Board that Big Water is requesting \$1,228,000 in financial assistance to refurbish a 100,000 gallon storage tank, install a new distribution line, and refinance \$349,000 of Glen Canyon Special Service District (Glen Canyon) debt in order to take over ownership and maintenance responsibility of the water system. The local MAGI for Big Water is \$29,533, which is 70% of the State MAGI. Their current average water bill is \$46.14, or 1.87% of the local MAGI, therefore Big Water does qualify for additional subsidization. The FAC recommends that the Board authorize a \$1,228,000 construction loan at 2.45% interest or fee per annum for 30 years with \$176,000 in principal forgiveness to Glen Canyon/Big Water Town with the condition that they resolve all issues on their compliance report.

There was discussion between the Board, Division Staff, and those representing Glen Canyon/Big Water regarding the taking over of the Glen Canyon Special Service District and creating a Special Service District under the town's auspices. There was also discussion of the systems commercial customer who accounts for ½ of the total water usage.

- David Stevens moved to authorize a \$1,228,000 construction loan at 2.45% interest or fee per annum for 30 years with \$176,000 in principal forgiveness to Glen Canyon/Big Water Town with the condition that they resolve all issues on their compliance report. Tage Flint seconded. The motion was carried unanimously by the Board.

iii. Other:

Henrieville Town

Michael Grange informed the Board that Henrieville Town is requesting an emergency Board meeting to consider funding that would cover the costs of recently completed emergency repairs to their water line, pressure reducing valve, air relief valves, chlorinator, and source water areas as well as requesting additional funds to resolve the remaining issues in their transmission line. Estimated costs are just over \$650,000. Division Staff is requesting that the Board be willing to hold an Emergency Board meeting in two to three weeks for Henrieville Town.

- The Board approved the request and an Emergency Board meeting will be held in two to three weeks for Henrieville Town.

Legislative Audit Water Use Study Incentives

Michael informed the Board that in order to comply with the Legislative Audit recommendations, the Division, as part of a water use study, will need to collect data from water systems throughout the State through the use of AMI (advanced metering infrastructures) meters; however the Division was not given additional funding to accomplish this task. The Division sent a letter requesting that systems interested in assisting with the study contact them and has received several responses. Division Staff is requesting that the Board approve research into an incentive for water systems as they would need to install these new AMI meters at a substantial cost to themselves.

There was discussion between the Board and Division staff regarding the fact that it would be approximately 50 to 80 meters for each of the selected systems and they would be installed in stages, that the AMI meters would meter both outdoor and indoor water use, and that some of the larger water systems are already using meters and are willing to assist with the study.

- The Board approved the request for Division Staff to research incentive options for water systems that participate in the water use study.

EPA Final Report

Michael then informed the Board that he had received the final report of the EPA audit that was done in February 2016. He pointed out that the SRF funds unliquidated obligations are a concern, however the fund use rate is 83% and the pace of construction is at 94%, which means that contractors and water systems are working diligently once their loan is closed.

5. House Bill 305 Related Rules – Ken Bousfield

Ken Bousfield, Division Director of DDW, informed the Board that in response to House Bill 305, staff has prepared changes to three rules and is recommending that the Board authorize the Division to proceed with rulemaking by filing the indicated changes with the State Division of Administrative Rules (DAR).

R309-105-15 – specifically designates that all community and non-transient non-community water systems are required to complete the “Utah Water Use Data Form” from the Utah Division of Water Rights annually.

- Tage Flint moved to authorize Division Staff to proceed with rulemaking by filing the indicated changes with the DAR. David Stevens seconded. The motion was carried unanimously by the Board.

R309-300-5 – specifically designates that a certified operator or a professional engineer sign the “Utah Water Use Data Form” attesting to the accuracy of the data reported. A certified operator shall include his certification number.

- David Sakrison moved to authorize Division Staff to proceed with rulemaking by filing the indicated changes with the DAR. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

R309-400-12 – specifically designates that all community and non-transient non-community water systems who fail to submit their “Utah Water Use Data Form” to the Division of Water Rights shall be assessed 50 points on their IPS report.

- Betty Naylor moved to authorize Division Staff to proceed with rulemaking by filing the indicated changes with the DAR. David Stevens seconded. The motion was carried unanimously by the Board.

6. Rule 309-105-12 – Ken Bousfield

Ken Bousfield informed the Board that the change to R309-105-12 Cross Connection Control is a change to reference the current plumbing code. Division staff recommends that the Board authorize staff to proceed with filing the substantive changes to rule R309-105-12(1) with DAR for adoption.

- Brett Chynoweth moved to authorize Division Staff to proceed with filing for substantive changes to R309-105-12(1) with DAR for adoption. David Stevens seconded. The motion was carried unanimously by the Board.

7. Authorization to begin Rulemaking to Amend R309-540, *Facility Design and Operation: Pumping Facilities* – Bernie Clark

Bernie Clark, Environmental Scientist with the Division, informed the Board that when staff started updating R309-540, they deleted requirements that were thought to be unnecessary, changed requirements that were too specific or too overly broad, reworded a number of requirements in order to clarify them, and reorganized the entire rule and established separate sections for pumps, booster pumps serving the distribution system, pump stations, and hydropneumatic systems. He then informed the Board that there has been an informal internal review and an informal external review, received comments, and made changes in response to those comments. Bernie noted that if given authorization the anticipated schedule would be filing with DAR by July 15, 2016, publishing in the Utah State Bulletin on August 1, 2016, to be followed by a formal 30 day public comment period and if no changes are made to the rule, returning to the Board for adoption in November 2016. Division Staff recommends, because

the proposed changes are substantive, that the Board authorize Division Staff to begin the rulemaking process to repeal and re-enact R309-540 and to file the proposed rule for publication in the Utah State Bulletin on August 1, 2016.

There was discussion between the Board and Bernie regarding the striking out of 17 provisions and the addition of only 8 in the new rule, though it has more sections it has 16% fewer words than the old rule, and the updating of terminology.

Ken Bousfield informed the Board that he had just received input with regards to problems with variable speed drive motors in pumps from an electrical engineering firm on July 7th and proposed that additional changes to the rule be made to give standard specification that design engineers employ the services of an electrical engineer with experience in pumps and motors and would identify specific electrical issues in the design. Currently there is no written language for this addition.

- Paul Hansen moved to authorize Division Staff to begin the rulemaking process to repeal and re-enact R309-540 and to file the proposed rule for publication in the Utah State Bulletin on August 1, 2016 as presented in the packet and to consider additional language additions in response to Ken's request when it is available at a later meeting as an amendment to the R309-540. Betty Naylor seconded. The motion was carried unanimously by the Board.

8. Rural Water Association Report – Dale Pierson:

Dale Pierson, Executive Director of the Rural Water Association of Utah (RWAU), informed the Board that the contract for RWAU's Management Specialist and Compliance Circuit Rider positions are up for renewal with the Division but because this year their sole source designation was challenged they had to submit new proposals, and a decision should be made on July 12, 2016.

Terry Smith, Management Specialist, with RWAU, updated the Board on some of the work that he has been doing, including:

- Leak detector correlator training.
- Energy efficiency and distribution flushing training.
- Attended the National RWA in Arkansas and incorporated training into an emergency response plan template.
- Attended EPA drought and conservation training in St. George.
- Presented at the National RWA in Little Rock on capacity development and financial assessments.
- RTCR training.

Brian Pattee, Compliance Circuit Rider with RWAU, updated the Board on some of the work that he has been doing, including:

- Working with CAP (State enforcement list) and ETT (EPA enforcement list) systems.
- Assisting systems with source sampling and source protection plans.
- Cross connection control and Backflow 101 training.
- Operator Certification training.

Curt Ludvigson, Development Specialist with RWAU, updated the Board on some of the work that he has been doing, including:

- Working in the Six County area to finish up a non-public drinking water rule. .
- Working with Summit and Wasatch counties on a non-public drinking water rule.
- Assisting with the Henrieville issue, during which he learned that Ephraim has a truck that will haul 6500 gallons of water and they are willing to assist other communities in need.
- Assisting the towns of Genola and Wales on water system issues.

9. Directors Report

Management Specialist and Compliance Circuit Rider Contracts

Ken Bousfield updated the Board regarding the contract process for the Management Specialist and Compliance Circuit Rider positions that Dale Pierson had previously mentioned. He informed them that due to the request for an open bid, the Division has to follow a process set forth by the State Division of Purchasing, (Purchasing), and noted that only 1 bid has been received, Purchasing will verify their qualifications, and then contracts will be awarded.

There was discussion between the Board and Ken regarding this process and it was noted that the Rural Community Assistance Corporation (RCAC), based out of Colorado, challenged the sole source designation assigned to Rural Water. He also informed the Board that RCAC does provide a few trainings in the State throughout the year.

A. Report before a Legislative Interim Committee on December 2014 Legislative Audit

Ken then informed the Board that he had reported to the Legislative Interim Committee regarding the DDW audit that suggested the Division do a water use study and update their requirements. He referred the Board to a copy of the letter that was sent to water systems requesting that those systems interested in assisting with the study contact the Division.

B. Report before a Legislative Interim Committee on DDW's fees

Ken went on to inform the Board that he had also reported to a different Legislative Interim Committee with regards to DDW's fee schedule. He noted that the Division had opened up the witnessing of well grouts to qualified professionals in the private sector.

C. Division of Water Resource's H2Oath: Utah's Water-Wise Pledge

Ken reported on an email that was sent to him from Josh Palmer, Public Information Officer with the Division of Water Resources (DWR), informing him about a new program known as H2Oath, where individuals and entities could sign the pledge to do their part in conserving water, and requesting that the Board support this idea. Ken recommended that the Board support the DWR H2Oath program.

- Paul Hansen moved to support the DWR H2Oath program. David Stevens seconded. The motion was carried unanimously by the Board.

10. Other

11. Next Board Meeting:

Paul Hansen noted that the next meeting will be an emergency teleconference to be scheduled for the end of July or the first of August to conduct business for Henrieville and to amend R309-540 with language, as noted above.

Paul also noted the next scheduled Board meeting will be:

Date: Tuesday, August 30, 2016
Time: 1:30 pm
Place: Davis Conference Center – Zephyr Room
1651 North 700 West
Layton, Utah 84041

12. Adjourn

- Paul Hansen moved to adjourn the meeting. The motion was carried unanimously by the Board.

The meeting adjourned at 2:50 pm

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Dana Powers, Office of Human Resources, at: (801) 499-2117, TDD (801) 903-3978, at least five working days prior to the scheduled meeting.