



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  
January 13, 2017 – 1:00 pm  
Multi Agency State Office Building – Room 1015  
195 North 1950 West  
Salt Lake City, Utah 84116

**FINAL MINUTES**

Alan Matheson, Executive Director for the Department of Environmental Quality, took a few minutes prior to the convening of the Board meeting to introduce Marie E. Owens, P.E., who has accepted the position of Director for the Division of Drinking Water (the Division, DDW) and her first day will be on January 23, 2017. Alan also noted that Marie has 20 years of experience in the drinking water community, having worked as an engineer at the Metropolitan Water District of Salt Lake and Sandy as well as the Water Quality Division Manager at Jordan Valley Water Conservancy District.

Alan then turned the time over to Marie, who took a moment to express her gratitude for this opportunity and her commitment to continue working collaboratively with the Board, the Division, and other water agencies throughout the State.

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

Paul Hansen, Board Chairman, called the meeting to order at 1:04 pm

**2. Roll Call**

Board Members present: Paul Hansen, Betty Naylor, Brett Chynoweth, Roger Fridal, Brad Johnson, and David Stevens.

Board Members excused: Tage Flint, David Sakrison, and Mark Stevens.

Division Staff present: Michael Grange, Rich Peterson, Lisa Nelson, Ying-Ying Macauley, Sandy Pett, Gary Kobzeff, Sam Grenlie, Julie Cobleigh, and Marianne Booth.

### 3. Board Presentation

On behalf of the Drinking Water Board, Paul Hansen took a moment to recognize Ken Bousfield for his work in the water community, the Board, and the Division over the past 40 years and presented Ken with an award inscribed with the following:

*“With appreciation to  
**Ken Bousfield**  
It has been said:  
If you want to go far, go together.  
You have demonstrated this principle exceptionally well and your  
impact will be felt for generations to come.  
Thank you for your unfailing support of the Drinking Water Board.”*

### 4. Approval of the Minutes:

#### A. November 18, 2016

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

### 5. Financial Assistance Committee Report

Michael Grange, Construction Assistance Section Manager with the Division, took a moment to introduce the newest member of the Construction Assistance section of the Division, Sam Grenlie, to the Board.

#### A. Status Report – Michael Grange

Michael Grange reported that currently there is \$4 million in the State SRF fund and over the course of the next year the Division is expecting \$4.8 million to come into the fund for a total of approximately \$8.8 million for project allocation. Michael also noted that the State hardship fund is currently -\$737,000 resulting in Division Staff shifting projects in need of hardship funding to the Federal SRF program.

In response to questions from the Board, Michael noted that over the course of the next year approximately \$775,000 in interest will go to the hardship fund once again bringing it to a positive amount, however, until it reaches \$200,000 - \$300,000 Division Staff will continue shifting those projects. Michael also updated the Board on the \$345,000 Henrieville grant.

Michael then reported that currently there is \$26 million in the Federal SRF fund and over the course of the next year the Division is expecting \$18 million to come into the fund for a total of approximately \$45 million for project allocation. Michael noted that the Federal Hardship fund is currently -\$250,000 and over the course of the next year the Division is expecting \$334,000 in technical assistance fees once again bringing it to a positive amount.

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

Michael Grange proposed that the Woodland Mutual Water Company be added to the project priority list with 28.9 points and a project consisting of a spring redevelopment, a new tank, and distribution and transmission lines. The Financial Assistance Committee (FAC) recommends that the Board approve the updated project priority list.

In response to questions from the Board, Michael informed them that Woodland Mutual is a private company and will be a federal project.

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

## **C. SRF Applications**

### **i. STATE:**

#### **a) There were no action items related to the use of State Funds**

### **ii. FEDERAL:**

#### **a) Wellington City – De-authorization – Michael Grange**

Michael Grange informed the Board that in April of 2016 Wellington City was authorized a \$1,063,000 loan with \$212,000 in principal forgiveness. Since that time they have changed the scope of their project and are obtaining funding from the Community Impact Board (CIB) therefore the previously approved funding is not needed. The FAC recommends that the Board de-authorize funding to Wellington City.

- Roger Fridal moved to de-authorize the funding to Wellington City. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

#### **b) Liberty Pipeline Company – De-authorization – Rich Peterson**

Rich Peterson, Environmental Engineer with the Division, informed the Board that in May of 2015 Liberty Pipeline Company was authorized a \$699,000 loan. Since that time Liberty Pipeline has determined that the Federal requirements will be overwhelming for their small system and community. The FAC recommends that the Board de-authorize funding to Liberty Pipeline Company.

- Brett Chynoweth moved to de-authorize the funding to Wellington City. David Stevens seconded. The motion was carried unanimously by the Board.

Paul Hansen noted that he would like to see the Division and the Board continue to work on ways to make Federal funding usable for all systems.

#### **c) Cedarview Montwell SSD – Lisa Nelson**

Representing Cedarview Montwell SSD (CMSSD) was Bobby Drake, Board Chairman, Mondy Taylor, Board Member, and Aaron Averett of Sunrise Engineering.

Lisa Nelson, Environmental Engineer with the Division, informed the Board that in 2012 CMSSD was authorized \$2.128 million at 2.43% for 30 years in order to construct a new water system. CMSSD is now coming to the Board to request an additional \$355,000 to obtain numerous easements on Native American lands and the cost of bonding. CMSSD is also requesting that the original loan be refinanced and the additional amount included, noting that due to unforeseen circumstances, the original anticipated number of connections has not come to fruition. The local MAGI for CMSSD is \$50,223, which is 116% of the State MAGI, and the estimated water bill is \$125.38, which is 3% of the local MAGI, therefore they do qualify for additional subsidization. The FAC recommends that the Board authorize the refinance the existing loan balance and include the additional requested \$355,000, for a total of \$2.474 million for 28 years at 1.38% interest to Cedarview Montwell SSD.

There was discussion between the Board, Division Staff, and those representing CMSSD regarding the counter-proposal by CMSSD to change their request to a 0% loan and fixed rate payments and the possibility of obtaining partial funding through the CIB. As Division Staff has not had the opportunity to review this proposal and determine that it meets the necessary criteria the Board suggested deferring this item until a later date.

- Paul Hansen moved to defer Cedarview Montwell SSD's request for funding to the March 2, 2017 Board meeting to allow staff time to evaluate the counter proposal. David Stevens seconded. The motion was carried unanimously by the Board.

**d) \* Winchester Hills – Rich Peterson**

Rich Peterson reminded the Board that in September of 2016 Winchester Hills (Winchester) was authorized \$427,000 at 0% for 30 years with \$213,000 in principal forgiveness for a project consisting of a new well. Winchester would also contribute \$197,000 to the project. On January 5, 2017 bids were opened, however those have come in higher than the previously authorized amount, therefore Winchester is requesting an additional \$160,000 in funding. The local MAGI for Winchester is \$31,114, which is 74% of the State MAGI therefore they do qualify for additional subsidization. Division Staff recommends that the Board authorize \$160,000 in additional funding resulting in a \$587,000 loan at 0% interest for 30 years with \$293,000 in principal forgiveness to Winchester Hills.

Paul Hansen noted that the higher amount is in line with what he has seen for new well drilling.

- Brett Chynoweth moved to authorize a \$160,000 in additional funding; resulting in a \$587,000 loan at 0% interest for 30 years with \$293,000 in principal forgiveness to Winchester Hills, noting that Winchester Hills contribution of \$197,000 still applies. Roger Fridal seconded. The motion was carried unanimously by the Board.

**iii. Other:**

**a) Stockton Town – Michael Grange**

As an informational item, Michael Grange reminded the Board that in 2014 Stockton Town (Stockton) had approached the Board requesting future funding for tank repair and new water lines. Since that time they have obtained funding through other means and are now withdrawing that application. Stockton is currently planning on building a new water treatment plant, and will be submitting a new application for funding in the future.

**b) Henrieville – Michael Grange**

As an informational item, Michael Grange reminded the Board that in June of 2013 Henrieville had approached the Board requesting funding to build a new tank. Since that time it has been determined that they do not need a new tank nor the requested funding, therefore Henrieville has withdrawn their application.

**Water Infrastructure Finance and Innovation Act (WIFIA)**

Michael Grange also reported that the Division recently learned that Congress has authorized a \$20 million to fund projects through WIFIA. Estimates show this seed money could be used to leverage up to \$1 billion to be used for wastewater and drinking water projects of national or regional significance. He also informed them that WIFIA funding can only be used for 49% and the total Federal funding can only be 80% of the total project funding. Michael also noted that State SRF programs will have the first right of refusal on projects.

**6. DDW After-the-Fact Review Policy Discussion – Ying-Ying Macauley**

Ying-Ying Macauley, Engineering Section Manager, explained to the Board that Division Staff are working to develop an after-the-fact plan review policy. Some existing non-public water systems sometimes become public water systems and are subject to after-the fact review, and sometimes the Division Staff discover modified or constructed facilities that have been in use for a long time by the water system without obtaining prior approval from the Division. This internal policy is needed to ensure that the after-the fact reviews are handled consistently on a case-by-case basis and with coordination across the Division. Ying-Ying went on to explain the factors that would be considered and the process that would be used to apply this policy. The proposed process includes immediately assessing IPS deficiency points in the Division's database with a 120-day grace period. Division staff is requesting input from the Board.

In response to questions from the Board, Ying-Ying explained that the Division has the option of assessing a \$1000 penalty fee for construction without plan review per project based on the DEQ fee schedule that was approved legislatively. She also explained that if the Division determines that an after-the-fact operating permit cannot be given further enforcement action would be taken. For example the water system may be required to cease operation of the un-approved facility.

Paul Hansen noted that he appreciated the time allowance for correction before penalty points were applied.

## 7. Rural Water Association Report – Dale Pierson

Terry Smith, Management Specialist with the Rural Water Association of Utah (RWAU) thanked the Board and Division Staff for their continued association and welcomed Director Owens. Terry then updated the Board on some of the work that he has been doing, including:

- Water Operator Certification training.
- Cross Connection Control recertification.
- Reworking the math portion of the Water Operator Certification presentation.
- Created a technology presentation for water operators.
- Working with Stockton, Toquerville, and Hanksville on water rate studies.

Brian Pattee, Compliance Circuit Rider with RWAU, updated the Board on some of the work that he has been doing, including Cross Connection Control training and working with EPA Enforcement Targeting Tool identified systems and other systems with their compliance issues.

Curt Ludvigson, Development Specialist with RWAU, also updated the Board on the status of the “non-public drinking water rule” in the Central Utah area. He also noted that he teaches the safety and security portion of the Water Operator Certification classes.

In response to questions from the Board, Terry Smith updated them on the leak detection unit that RWAU had purchased with funding from the Board, letting them know that they originally had a defective one, received a replacement, and have used it only 3 times, but are looking forward to the spring when it will be utilized more often.

## 8. Directors Report

### A. Changes to Proposed Board Schedule

Paul Hansen noted that the Board Schedule has been revised due to a conflict; changing the November 10, 2017 Board meeting to November 3, 2017.

- Betty Naylor moved to accept the revised Board schedule. Brett Chynoweth seconded. The motion was carried unanimously by the Board.

## 9. Other

## 10. Next Board Meeting:

Date: Thursday, March 2, 2017  
Time: 2:00 pm  
Place: The Dixie Convention Center  
Garden Room  
1835 Convention Center Drive  
St. George, Utah 84790

## **11. Adjourn**

Paul Hansen called for a motion to adjourn.

- David Stevens moved to adjourn the meeting. Roger Fridal seconded. The motion was carried unanimously by the Board.

**The meeting adjourned at 2:18 pm.**