



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Department of
Environmental Quality

Alan Matheson
Executive Director

DIVISION OF DRINKING WATER
Marie E. Owens, P.E.
Director

Drinking Water Board

Betty Naylor
Brett Chynoweth
Jeff Coombs
Tage Flint
Eric Franson, P.E.
Roger G. Fridal
Brad Johnson
David Stevens, Ph.D.
Mark Whitney
Marie E. Owens, P.E.
Executive Secretary

DRINKING WATER EMERGENCY TELECONFERENCE BOARD MEETING

September 26, 2017 – 1:30 pm
Multi Agency State Office Building
Arches South
195 North 1950 West
Salt Lake City, Utah 84116

FINAL MINUTES

1. Call to Order

Betty Naylor, Acting Board Chairman, called the meeting to order at 1:30 p.m.

2. Roll Call

Board Members present: Betty Naylor, Brett Chynoweth, Tage Flint, Eric Franson, Roger Fridal, Brad Johnson, David Stevens, and Mark Whitney. Jeff Coombs joined the meeting at 1:50 p.m.

Division Staff present: Michael Grange, Julie Cobleigh, Heather Bobb, and Marianne Booth. Marie Owens joined the meeting at 1:42 pm.

3. Financial Assistance Committee Report

A. SRF Applications

i. STATE:

ii. FEDERAL:

a) Panguitch – Michael Grange

Representing Panguitch was Eric Houston, Mayor; Kim Soper, Councilman; Trudi Owens, Councilwoman; and Tyler Hoskins of Jviation, Inc.

Michael Grange, Construction Assistance Section Manager with the Division of Drinking Water (the Division), informed the Board that Panguitch City's (Panguitch) spring sources, which are a significant portion of their total source capacity, were damaged and rendered unsuitable for use by the recent Brian Head fire. With an uncertain time frame to repair the springs, they are requesting \$1,249,266, to drill a new well as an emergency measure and to consolidate existing loans from the Board. The local MAGI for Panguitch is \$34,592, which is 80% of the State MAGI; therefore they do qualify for additional subsidization. The current water bill is \$34.92, and includes a \$5.00 per month irrigation bill. Division Staff recommends the Board authorize a loan of \$1,249,266 with 1.5% interest or fee per annum for 30 years with \$355,266 in principal forgiveness to Panguitch City.

There was discussion between the Board, Division Staff and those representing Panguitch regarding the emergency nature of this request and the use of the Federal Hardship Grant funds.

David Stevens moved to authorize a loan of \$1,249,260 at 1.5% interest of fee per annum for 30 years with \$355,260 in principal forgiveness to Panguitch City. Mark Whitney seconded.

It was then discussed at length that recent indications show project costs could come in lower than anticipated, however the loan to grant ratio should remain 60%/40% split, and that should be a part of the motion.

David Stevens rescinded his first motion.

- David Stevens moved to authorize a loan of \$1,249,262 with 1.5% interest or fee per annum for 30 years with \$355,260 in principal forgiveness to Panguitch City and that the loan to grant ratio should remain 60%/40% before the refinanced amount is included, should the final request come in below the authorized amount. Roger Fridal seconded. Jeff Coombs having joined the meeting after the discussion, abstained from voting. The vote was carried unanimously by the voting members.

b) West Erda – Julie Cobleigh

Representing West Erda Improvement District (West Erda, WEID) was Jerry Houghton, Tooele County Recorder/Surveyor and WEID water operator; and Darin Robinson and Ted Mickelsen of Jones & DeMille Engineering.

Julie Cobleigh, Environmental Engineer with the Division, reminded the board that West Erda was authorized a loan of \$1,478,600 at 0% interest for 30 years with \$739,600 in principal forgiveness in November 2014. In January 2015 this loan was amended to \$1,622,600 at 0% interest for 30 years with \$811,600 in principal forgiveness. In November 2015, a change of scope to include a regionalization between WEID and Stansbury Park Improvement District (SPID) was proposed, and in May 2017, the loan was again amended, resulting in a loan of \$1,700,600 at 0% interest for 30 years with \$850,600 in principal forgiveness to SPID, however with the aggressive construction schedule it was more feasible for WEID to assume the loan obligation with the understanding that the ownership and loan would transfer once construction was completed. Julie then informed the Board that due to the aggressive construction schedule and unexpected cost overruns

they have used their entire contingency. Now due to utility conflicts they will need to shift the water line alignment into the paved roadway at an estimated additional cost of \$150,000, therefore they are requesting an additional \$80,000 in grant. WEID will be funding the other portion of that cost with the sale of their excess water rights to Tooele County. The local MAGI for West Erda is \$29,797 which is 79% of the State MAGI. The water bill after previously authorized funding is \$105 for connected users, other unconnected lots have a water bill of \$20 for fire suppression. Division Staff has no recommendation to the Board.

There was discussion between the Board, Division Staff, and those representing West Erda regarding the use of hardship grant funds, the sale of the excess water rights, how WEID has had issues for over 25 years now, and whether they might need to request additional funding before the project is completed.

- Mark Whitney moved to authorize an \$80,000 hardship grant to West Erda Improvement District. Brett Chynoweth seconded. Jeff Coombs, having declared a conflict of interest, abstained from voting. The vote was carried unanimously by the voting members.

iii. Other:

4. Next Board Meeting:

Date: Friday, November 3, 2017
Time: 1:00 pm
Place: Multi Agency State Office Building
Board Room
195 North 1950 West
Salt Lake City, Utah 84116

5. Adjourn

- Betty Naylor moved to adjourn the Board meeting. The motion was carried unanimously by the Board.

The meeting adjourned at 2:15 p.m.