



State of Utah

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

Department of Environmental Quality

Richard W. Sprott
Executive Director

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

Drinking Water Board
Anne Erickson, Ed.D., *Chair*
Myron Bateman, *Vice-Chair*
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
Richard W. Sprott
David K. Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON NOVEMBER 12, 2008 IN SALT LAKE CITY, UTAH

Board Members Present

Anne Erickson, Chairman
Myron Bateman, Vice Chairman
Ken Bassett
Daniel Fleming
Jay Franson
Helen Graber, Ph.D.
Paul Hansen
Petra Rust
Rick Sprott
David Stevens, Ph.D.
Ron Thompson

Staff

Ken Bousfield
Ken Wilde
Patti Fauver
Kate Johnson
Rich Peterson
Julie Cobleigh
Michael Grange

Guests

Robert Worley, Sunrise Engineering
Doug Nielsen, Sunrise Engineering
Ryan Taylor, Neola Town
Jon Sebba, Nolte Associates
Steve Sheffey, U.S. Army Dugway PG
Corey Cram, Washington WCD
Scott Archibald, Lincoln CWA
Jeremy Jensen, Lincoln CWA
Clyde Watkins, Rural Water Association
Dale Pierson, Rural Water Association
Chuck Jeffs, Rural Water Association
Curtis Ludvigsen, Rural Water Association

Staff Continued

Mike Georgeson
Jesse Johnson
Gary Kobzeff
Don Lore
Sandy Pett
Linda Matulich

ITEM 1 – CALL TO ORDER

The Drinking Water Board meeting convened in Salt Lake City, Utah with Chairman Erickson presiding. The meeting was called to order at 12:00 p.m.

ITEM 2 – ROLL CALL

Chairman Erickson asked Ken Bousfield to call roll of the Board members. The roll call showed there were 11 members present at the time.

ITEM 3 – INTRODUCTIONS

Chairman Erickson welcomed everyone and asked the guests to introduce themselves.

ITEM 4 – APPROVAL OF MINUTES – SEPTEMBER 10, 2008 AND OCTOBER 15, 2008

September 10, 2008

Chairman Erickson stated a motion was in order to approve the September 10, 2008 Drinking Water Board minutes.

Paul Hansen moved to approve the September 10, 2008 Drinking Water Board minutes.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

October 15, 2008

Chairman Erickson stated a motion was in order to approve the October 15, 2008 Drinking Water Board minutes.

David Stevens moved to approve the October 15, 2008 Drinking Water Board minutes.

Ken Bassett seconded.

**CARRIED
(Unanimous)**

ITEM 5 – SRF/CONVERSATION COMMITTEE REPORT

1) Renewal of the Rural Water Association of Utah's Agreement

Ken Wilde reported the 2008 budget of \$111,744 was used in figuring out the 2009 budget for the Agreement with the Rural Water Association and the Division of Drinking Water. Rural Water Association sent the 2009 budget to the Division of Drinking Water with an increase of 8 – 9% to \$121,124. New budget was just submitted by the Rural Water Association (RWAU) on November 10, 2008.










The Rural Water Association will run out of money in mid December. Rural Water will complete the 2008 Agreement work using some of their own money.

Dale Pierson and Clyde Watkins addressed the Board.

Dale Pierson and Clyde Watkins reviewed the work that has been completed in the 2008 Agreement. They asked the Board to increase the budget to \$121,124 for 2009 and answered questions from Board members about the increase.

The Scope of Work is fairly basic:

RWAU/DDW Water Education Program

-  Provide education to County governing bodies on Capacity Development needs of new water systems.
-  Provide education to County Planning Commissions on Capacity Development needs of new water systems.
-  Assist Counties in developing Capacity Development, Construction, and Regionalization Requirements for new water systems.
-  Assist Counties in determining the proper Culinary Water Authorities within their jurisdiction.
-  Assist the UDDW in making Capacity Development Assessments of systems making application for funds under the State SRF Program.
-  Provide education to the general public on drinking water issues.
-  Assist water systems with specific public education needs, Assist and participate in Water Week activities including generation of materials and activities.
-  In conjunction with the RWAU Source Water and Ground Water Protection programs, Assist Counties in Developing Source Protection Ordinances.
-  Act as a liaison between and in concert with UDDW and County Governing Bodies. Discussion followed.

Myron Bateman stated a motion was in order to approve the Division of Drinking Water and the Rural Water Association of Utah's recommendations.

Petra Rust moved the Board approve the Rural Water Association's proposal, and directed staff to proceed in preparing the contract with the Rural Water Association. The cost of the contract will be paid from the Hardship Grant Funds, and will run through 2009. The contract will be renewable, if it is mutually acceptable. The Executive Secretary will be given the authority to pay for all of the cost or part of the cost of the contract from another source of funding, if one can be found.

Helen Graber seconded.

CARRIED

10 voted yes.

Danny Fleming abstained.

2) Status Report

Ken Wilde reported on some successes recently. Fifetown, in Central Iron County, is completed. Fifetown is off of the 25 Worst Drinking Water Systems List. The Board funded the Sky View Estates project, which is part of the Central Iron County Water Conservancy District. The Board gave Mountain Regional Special Service District a \$3,000,000 loan. The Long Valley Estates, in Kane County, hasn't closed yet, but is proceeding. Long Valley Estates is doing some of their design work with some savings they had from a previous phase. Garden City is closed, and they are proceeding with their water treatment plant project.

Ken Wilde mentioned the State loan fund balance is almost \$200,000. The Board receives about \$360,000 in tax revenue each month. The Board has been progressive in keeping the projects flowing and authorizing projects. The Board has \$12,000,000 in the bank. The Board will receive \$5,500,000 from principal repayment, interest, grant money, and sales tax revenue over the next 12 months. Ken said Parowan City closed their project on November 6, 2008.

Ken Wilde reported that the Federal loan fund balance is \$7,000,000. The Board just received a capitalization grant in September 2008. The Board will be receiving \$13,000,000 over the next 12 months. The Federal loan fund has the potential of having \$20,000,000 for the next year (sum of \$7M and \$13M). The Board had a teleconference call on an emergency project for Canyon Meadows Mutual Water System, who closed their project on December 5, 2008.

3) Project Priority List

Ken Wilde reported there are 4 new projects on the Project Priority List. Ken said staff is recommending that the Board approve the new Project Priority List.

Myron Bateman stated a motion was in order to approve the updated Project Priority List.

Jay Franson moved the Board authorize the updated Project Priority List by adding: Toquerville City, Lincoln Culinary Water System, Hinckley Town, and Canyon Meadows Mutual Water Company.

Petra Rust seconded.

**CARRIED
(Unanimous)**

Ron Thompson left the Board meeting.

4) SRF Applications

a) Dixie Deer Special Service District – Rich Peterson

Rich Peterson reported Dixie Deer Special Services District (SSD) is requesting a planning advance. The cost estimate is \$20,750. Dixie Deer SSD hopes to get a \$9,850 grant for their master plan from CIB. Dixie Deer SSD doesn't qualify for a grant. Dixie Deer SSD has anticipated their water bill is at 1.12% and their local MAGI is at 84%. Staff had a conference

call with Dixie Deer SSD a couple of weeks ago and their cost has increased by \$1,000. The SRF/Conservation Committee is recommending the Board authorize a \$10,900 planning loan at 0% for 5 years.

Myron Bateman stated a motion was in order to approve the SRF/Conservation Committees recommendations.

David Stevens moved the Board authorize the SRF/Conservation Committee's recommendation of a \$10,900 planning loan at 0% for 5 years to Dixie Deer SSD. Dixie Deer SSD will pay approximately \$2,180 annually, beginning one year from the day the loan agreement is signed. Dixie Deer SSD will have an option to roll the balance of the loan principle into a future construction loan at an interest rate established when the construction project is authorized.

Petra Rust seconded.

**CARRIED
(Unanimous)**

Ron Thompson returned.

b) LaVerkin City – Rich Peterson

Rich Peterson reported LaVerkin City is requesting a planning advance for \$21,600. LaVerkin City's anticipated water bill is 1.89%. LaVerkin City's MAGI is 80% of the State MAGI. The SRF/Conservation Committee is recommending a planning grant of \$21,600.

Danny Fleming moved the Board approve the \$21,600 planning grant to LaVerkin City to fund their master plan on the condition that they address all of the items listed in their compliance report.

Ken Bassett seconded.

**CARRIED
(Unanimous)**

c) Neola Town – Rich Peterson

Rich Peterson reported Neola City was told that they don't qualify for grant money after the staff reviewed their request. Neola City has reduced the scope of work for their project. Neola City still needs help with some funding in the amount of \$85,000.

Rich Peterson said staff is recommending the Board authorize a construction loan of up to \$85,000 with the same rates as shown with a 5 year term. Neola City anticipates paying it off more quickly using CIB funds.

Ryan Taylor, Neola City representative, was available answer any questions from the Board.

Discussion followed.

Ken Bassett moved the Board approve a construction loan of up to \$85,000 at 3.56% for 5 years. The loan origination fee will be 1.0% (or \$850). The conditions include that Neola City resolves the appropriate issues in their compliance report.

Petra Rust seconded.

**CARRIED
(Unanimous)**

d) Hinckley Town – Rich Peterson

Rich Peterson reported that the Hinckley Town was required to install a water treatment plant for their arsenic water problem several years ago. The project was funded by the CIB. There was some money left over, but Hinckley Town didn't know how much. Hinckley Town replaced some asbestos cement pipe that was missed. Hinckley Town doesn't have enough money now to pay to the bills to the contractor. CIB will not fund the cost over run. Hinckley Town has come to the Drinking Water Board for help. Hinckley Town was anticipating and still hoping for a grant. The residents have doubled their base rate already. Hinckley Town was just below the criteria of the MAGI at 1.69% , when the packet was being printed.

Robert Worley, Sunrise Engineering representing Hinckley Town, was available for any questions from the Board. Robert Worley, Sunrise Engineering, addressed the Board, because the Mayor could not get off work.

Discussion followed.

Ken Bassett moved the Board authorize a loan of up to \$85,000 at 2.56% for 20 years to replace their distribution lines with the condition they resolve appropriate issues on their compliance report including receiving an operating permit for their new water treatment plant.

Anne Erickson seconded.

Discussion on motion.

Jay Franson amended the motion to include that the town, their engineering company and Division staff run the numbers through to see if there is any grant money available, and there would be a continuation of this process. Hinckley Town will negotiate with the contractor. There may be an interest payment for the contractor. But Hinckley Town will not pay off the total, but work with the contractor so there is an interest payment. That is something the firm could do and make an interest payment or a progress report. Hinckley Town will work on finding something that would fit with the grant over the next couple of months. Hinckley Town will bring a complete performance sheet back showing where they are at in the process.

Discussion on amendment.

Ken Bassett accepted the additional information to the motion.

Discussion on motion continued.

Anne Erickson seconded.

Discussion continued.

Myron Bateman restated the amended motion: Amend the original motion to approve the loan based of \$85,000 at 2.65% for 20 years. Allow staff to work with the engineering company and the city to see if there are any other variances.

Jay Franson said his amendment was not to approve the loan. That will be separate. My amendment is: If the amendment and the loan are approved and passes, then the information will be added to the motion. If it doesn't pass, then it is back to the original motion.

Discussion on amended motion.

Hinckley Town would be able to accept the loan at the terms given, or Hinckley Town can come back to the Board for some grant money.

Ken Wilde said this agenda item could be tabled so Hinckley Town and staff can come up with some recommendations to receive some potential grant money. If Hinckley Town decides not to accept the loan, staff will come back to the Board in two months to approve a new request. Hinckley Town can accept the loan money or present a new request to the Board to reconsider and give Hinckley Town some grant money.

Petra Rust voted yes.

10 voted no.

MOTION FAILED

Myron Bateman restated the original motion made earlier by Jay Franson and seconded by Anne Erickson.

10 voted yes.

Helen Graber abstained.

CARRIED

Chairman Erickson commented that she would like a report on Hinckley Town's request at the next Board meeting to see where we are at on this project.

e) Lincoln Culinary Water Company – Michael Grange

Michael Grange reported that Lincoln Culinary Water Company is requesting \$450,000 in financial assistance to construct a 200,000 gallon concrete culinary water storage reservoir and a chlorination building. The new water storage reservoir will increase the storage capacity and water pressure to comply with the Drinking Water Rules. By constructing a new water storage reservoir, the 100 IPS points currently assessed on the water system will be resolved.

Jeremy Jensen, Sunrise Engineering, and Scott Archibald, representing the Lincoln Culinary Water Company, were available to answer any questions and address the Board.

Scott Archibald addressed the Board.

Discussion followed.

Ron Thompson moved the Board authorize a \$450,000 construction loan at 2.63% interest for 30 years with \$90,000 in principal forgiveness to Lincoln Culinary Water Company for the construction of a new 200,000 gallon concrete culinary water storage reservoir and a chlorination building.

David Stevens seconded.

**CARRIED
(Unanimous)**

Discussion on motion.

Ken Wilde addressed the Board about the project. The Board will review this project later.

Danny Fleming left the Board meeting.

f) Apple Valley Town – Rich Peterson

Rich Peterson reported Apple Valley Town is in the process of creating a regionalization water system. Apple Valley Town does not provide water to the residents. The residents are served by two private water companies.

Rich mentioned because of Apple Valley Town's efforts on this project, staff is recommending a planning grant of \$18,000 to help prepare a master plan.

Ron Thompson said he was very familiar with the Apple Valley Town drinking water problems and updated the Board.

Jay Franson moved the Board authorize an \$18,000 planning grant to the Town of Apple Valley to prepare a culinary water system master plan and to investigate the feasibility of creating a regionalized water system. Conditions include resolving appropriate issues on the compliance reports of both Apple Valley Water Company and Cedar Point Water Company.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

Danny Fleming returned.

ITEM 6 – 2009 DRINKING WATER BOARD MEETING SCHEDULE

Chairman Erickson asked the Board for their input on the 2009 Board meeting schedule.

Discussion followed.

Ron Thompson moved the Board approve the meeting schedule for 2009.

Helen Graber seconded.

Chairman Erickson asked the Board for their input on continuing with the tours that have been provided by staff.

Petra Rust mentioned the July 8, 2008 and September 9, 2009 Drinking Water Board meetings fall on a holiday week. This could be a problem for anyone taking a vacation during the two scheduled Board meeting times.

Chairman Erickson asked Ken Bousfield to plan some tours for the Board on the dates where a location has not been scheduled yet.

Discussion on where to have some of the Board meetings and tours followed.

Ron Thompson moved to keep the January 14, 2009 and March 5, 2009 Board meeting dates. The Board will reevaluate the remaining Board meeting dates for 2009 at the January or March Board meeting.

Petra Seconded.

**CARRIED
(Unanimous)**

ITEM 7 – ARSENIC SUMMARY REPORT & EXTENSIONS REQUESTS

Don Lore reported on the Arsenic Exemption applications that have been received and reviewed.

Patti Fauver mentioned staff has received 33 exemption applications that were discussed at the January Board meeting three years ago. The Board approved 32 exemption applications. Staff has made some progress since then. Staff is down to 7 exemption applications now.

Don Lore said staff is down to reviewing 8 drinking water systems now from the 32 drinking water systems received 3 years ago.

Discussion followed.

Ron Thompson moved the Board authorize staff to proceed with scheduling a public hearing in order to process the Arsenic Exemption applications for: Beaver Dam Water Company, Dugway – Ditto Tech Center, Kingston Town, Sherwood Water Company, Webb Well Water Users, and Elberta Water Company.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

ITEM 8 – PROPOSED SUBSTANTIVE CHANGES TO RULES R309-515 AND 540

Mike Georgeson reported on two substantive changes for Rules R309-515 and 540. Rule R309-515 is on Source Development. The substantive change is under Section R309-515-7 Ground Water – Springs. The substantive change is addressing the 10 mils thick liner that is used over a spring collection zone.

Staff is proposing changing the 10 mils to 45 mils, which would require a 50 mil liner, because the liners only come in 10 mil thicknesses.

Discussion followed.

Ron Thompson moved the Board authorize staff to make the change in Rule R309-515 and go with the 40 mils thickness on the liners, but not less than 40 mils thickness, and approve the change in Rule R309-540 on Pump Stations. Staff will proceed with the rulemaking process, and file the proposed rule amendments for publication in the Utah Bulletin on December 15, 2008.

Discussion followed.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

ITEM 9 – PROPOSED NON-SUBSTANTIVE CHANGES TO RULES R309-500, 505, 510, 520, 525, 530, 535, 545, AND 550

Mike Georgeson reported the changes in these rules are non-substantive. The non-substantive changes normally go right through, and they don't require a public hearing. There are some language problem changes in the rules. The changes will bring the rules in to conformity, as well as updating some of the references. If the Board agrees with the changes, the motion should include that the Board finds these are non-substantive changes.

Discussion followed.

Paul Hansen moved the Board authorize staff to find that the changes in the proposed rules are non-substantive changes and file the rules effective immediately.

Paul Hansen suggested that staff look at the Table in Rule 510-3 on the Demand for Irrigation (outdoor use). The numbers shown are depletion limits not diversion minutes. They are not consistent with what the State Engineer lists as far demand versus depletion. Staff needs to clarify what the numbers are for. This would be a substantive change.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

Chairman Erickson directed staff to look at the depletion limits versus diversion minutes limits and report back to the Board.

ITEM 10 – OPERATOR CERTIFICATION COMMISSION MEMBERS RENEWAL

Ken Bousfield reported the Operator Certification Commission has two members; Jay Franson and Jim Callison, whose terms expire at the end of December 2008. They have both agreed to fill another term on the Operator Certification Commission.

Jay Franson addressed the Board.

Discussion followed.

Ron Thompson moved the Drinking Water Board reappoint Jay Franson and Jim Callison to another term on the Operator Certification Commission.

Petra Rust seconded.

**CARRIED
(Unanimous)**

ITEM 11 – RURAL WATER ASSOCIATION OF UTAH'S REPORT

Curtis Ludvigsen addressed the Drinking Water Board.

Curtis was glad to see that Dixie Deer Special Service District (SSD) was on the agenda. Curtis met with Dixie Deer SSD about three months ago to discuss their drinking water system. Hopefully, their study will turn in to a project.

Curtis reviewed the work he does for the Division of Drinking Water and the Rural Water Association of Utah. He mentioned how his work meshes well together in helping out the drinking water systems in Utah.

Discussion followed.

Danny Fleming addressed the Board.

Chairman Erickson commended the Rural Water Association of Utah and the Division of Drinking Water for all of the work they do to help each other and the drinking water systems in the State of Utah.

ITEM 12 – CHAIRMAN'S REPORT

Chairman Erickson mentioned that Rick Sprott is retiring and moving out-of-state.

Rick Sprott reported that he and his wife just finished a retirement home in the New Mexico mountains. His last day will be on December 5, 2008. Rick gave some background on his work and future endeavors.

The Board wished Rick well. The Drinking Water Board will present Rick with a plaque, at his retirement party, and thank him for his time and support that he has given the Drinking Water Board.

ITEM 13 – DIRECTORS REPORT

a) DEQ's FY-2010 Proposed Fee Schedule and Public Hearing

Ken Bousfield handed out a copy of a Public Notice on the 2010 Proposed Fee Schedule. Ken updated the Board on the 2010 Proposed Fee Schedule and the recent Public Hearing that was held.

b) New Engineers in the Construction Assistance Section

Ken Bousfield introduced two new engineering staff members, Jesse Johnson and Gary Kobzeff.

Gary Kobzeff addressed the Board and gave them some information on his background and work.

Jesse Johnson addressed the Board and gave them some background information on his background and work.

c) Budget Cuts within the Division

Ken Bousfield went over the budget cuts that the Division is going to have to take in order to meet their requests from the Governors office.

d) Organizational Charts Update

Ken Bousfield mentioned an organization chart is in the packet for the Board members.

Ken mentioned we have one vacancy in the Engineering Section that we are in the process of filling.

Ken mentioned Brett Shakespear, a staff member in the Rules Section, will be leaving the Division on Friday, November 14, 2008. Ken reviewed the critical work that Brett does for the Division.

Ken mentioned Stephen Poreda, a former employee, will fill Brett's position on a temporary basis until we are able to hire a full time employee. Stephen Poreda has performed SDWIS work for Maryland and of Kentucky.

e) Canyon Meadow Mutual Water Company Report

Ken Wilde reported about two months ago Canyon Meadow Mutual Water Company's water line clogged up due to a calcium build up inside of their lines. Ken gave a detailed report on their water line problems.

Ken Bousfield updated the Board on the CAP (Compliance Action Planning) meetings, and gave some background on the meetings.

ITEM 14 – NEXT BOARD MEETING

Chairman Erickson reported the next Board meeting will be on January 14, 2009 at Noon. The meeting will be held at 168 North 1950 West, Room 101, Salt Lake City, Utah.

ITEM 15 – OTHER

No other business.

ITEM 16 – ADJOURN

Chairman Erickson stated a motion to adjourn the Drinking Water Board meeting was in order.

A motion was made to adjourn the Drinking Water Board meeting at 2:50 p.m.

The motion was seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary