



State of Utah

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

Department of Environmental Quality

William J. Sinclair
Acting 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
William J. Sinclair
David K. Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON MARCH 5, 2009 IN ST. GEORGE, UTAH

Board Members Present

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

Board Members Excused

Ken Bassett
William Sinclair

Staff

Ken Bousfield
Ken Wilde
Kim Dyches
Bob Hart
Gary Kobzeff
Rich Peterson
Michael Mortensen
Jesse Johnson
Michael Grange

Guests

Kevin Brown, Sunrise Engineering
Alan Riding, Delta City
Terry Beebe, Utah County Health Dept.
Dale Pierson, Rural Water Association
Tim Jones, Jones & DeMille Engineering
Al Deware, Erda Acres Water Company
Bob Wallin, Salt Lake City Public Utilities
Dennis Holland, Salt Lake City Public Utilities
Robert Worley, Sunrise Engineering
Chad Houcher, Sigurd Town
Curtis Ludvigsen, Rural Water Association
Randy Taylor, P.E., Southwest District Engineer
John Chartier, P.E., Southwest District Engineer
R. Scott Wilson, Central Iron County WCD
Rod Mills, Central Iron County WCD
Kelly Crane, Central Iron County WCD
Slade Hughes, Veyo Culinary WA
Tyler McAllister, Nolte Engineering
Bill Loughlin, Loughlin Water

Staff Continued

Ying-Ying Macauley
Heather Bobb
Linda Matulich

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in St. George, Utah with Chairman Erickson presiding. The meeting was called to order at 2:00 p.m.

ITEM 2 – ROLL CALL

Chairman Erickson asked Ken Bousfield to call roll of the Drinking Water Board members. The roll call showed there were 9 Drinking Water Board members present at the time.

ITEM 3 – INTRODUCTIONS

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

Chairman Erickson thanked the Rural Water Association of Utah's for the hospitality they provided to the Drinking Water Board, and the outstanding job they did with the 2009 Annual Conference.

ITEM 4 – APPROVAL OF MINUTES – January 14, 2009

Chairman Erickson stated a motion was in order to approve the January 14, 2009 Drinking Water Board minutes.

Paul Hansen moved to approve the January 14, 2009 Drinking Water Board minutes.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

ITEM 5 – FINANCIAL ASSISTANCE COMMITTEE REPORT

1) Status Report – Ken Wilde

Ken Wilde reported the State Loan Fund program had about \$10,000,000. The Legislature took \$6,000,000 from the program. The Drinking Water Board and staff are now left with about \$4.2 million; of which \$2.8 million is in the Loan funds, and \$1.4 million is in the Grant funds. The money that is left is for three projects that have already been closed. They are: Garden City, Escalante and Springdale for a total of \$3.3 million. Ken reviewed the projects that have been authorized from the State Loan Fund program, but not closed and for which we do not have enough money, because the Legislature took \$6,000,000 to balance the State budget. The State Loan Fund Program is in the red now.

Ken Wilde reported the first round money from the Federal Loan Fund program is showing a negative balance of \$14.8 million. Sandy, the Division's accountant, is showing all of the loan obligations coming out of first round money. Ken Wilde explained that the Board has \$16 million available in the Federal Loan Fund program in the second round of money that off-sets that negative balance. There is also \$3.2 million in interest and \$828,000 in the Hardship Grant Fund. The Board and Staff haven't spent any of the money from the second round yet. The Board currently has \$5.3 million available in the Federal SRF Program.

Ken Wilde reported there isn't enough money in the State SRF Fund for the Kane County Water Conservancy District and Wales Town projects. The Drinking Water Board might be able to fund them out of the Federal SRF Fund, rather than postpone them. The Drinking Water Board should receive around \$14.5 million for projects this coming year.

Discussion followed.

2) Project Priority List – Ken Wilde

Ken Wilde mentioned an updated Project Priority List was passed out at the work meeting this morning. Ken said staff would like to substitute the new Project Priority List dated February 24, 2009. Staff received some new projects this week and added them to the list.

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

Petra Rust moved the Drinking Water Board authorize the new Project Priority List dated February 24, 2009.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

3) Draft IUP

Ken Wilde reported that we are required to prepare an Intended Use Plan (IUP) for the Federal SRF program each year. Staff has brought the IUP to the Board every year for input and direction. The IUP doesn't require Board approval. The IUP is a draft document right now. Staff is still receiving guidance from the federal government on the stimulus funding portion of the Plan.

Ken Wilde reviewed the changes in this year's IUP, because it includes plans to use the FY 2009 Capitalization Grant and the Stimulus money. The draft IUP is in the Drinking Water Board packet. Ken asked the Drinking Water Board to review the document and send staff any comments they have on the document. The final IUP document will be posted on the website

Discussion followed.

4) SRF Applications

a) Sigurd Town – Planning – Gary Kobzeff

Gary Kobzeff reported Sigurd Town is requesting a \$10,000 planning advance to update their culinary water system master plan.

Discussion followed.

Ron Thompson moved the Drinking Water Board authorize a \$10,000 planning grant to the town of Sigurd to fund their master plan.

Petra Rust seconded.

**CARRIED
(Unanimous)**

b) Hideout Town – Planning – Gary Kobzeff

Gary Kobzeff reported Hideout Town is requesting an \$85,000 planning advance to study and identify any required capital improvements for a drinking water system, including source, supply, storage and transmission facilities.

Discussion followed.

Jay Franson moved the Drinking Water Board not authorize a planning advance.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

c) Central Iron County WCD – Ken Wilde

- 1) Application Request for \$3,910,878 and
- 2) Application Request for \$3,378,965

Ken Wilde reported the Central Iron County Water Conservancy District (CICWCD) is requesting approximately \$3,900,000 for a 4,000,000 gallon water storage tank, which would help them to have enough storage for a reserve capacity for Cedar City, Enoch and other areas of the county. This project would bring Park West into the District, and also add about 50 more connections to the District.

Ken Wilde gave some background on the project.

Ken Wilde reported the Finance Committee is recommending that the Drinking Water Board authorize a loan to the Central Iron County Water Conservancy District (District) (WCD) in the amount of \$3,910,979 with 20% principal forgiveness with an interest rate of 0.0% or 1.0% for the first five (5) years and 2.0% interest thereafter for up to a total loan repayment period of 30years. The loan will also have a Loan Origination Fee of 1.0%. The Drinking Water Board members said that the District should obtain signed contracts from Cedar City and Enoch to use part of the storage tank capacity and/or provide part of the annual payment. The District should establish “stand-by” fees for unimproved lots within the District or otherwise implement a “water available fee”. The District will correct any deficiencies on the compliance report.

Scott Wilson, Kelly Crane and Rod Mills, representing the Central Iron County WCD, were available for comments and/or questions from the Board.

Scott Wilson and Kelly Crane addressed the Board.

Discussion followed.

Jay Franson moved the Drinking Water Board reiterate regionalization, it is extremely important, that it makes sense to go with the 4,000,000 gallon tank. However, given the economic conditions of both the Drinking Water Board and the District, we don't know exactly where we stand on here, that if I can use the terminology of the day, that if you can use the bailout, we don't know where that mean falls. The Drinking Water Board has \$350,000,000 in loan requests. The Drinking Water Board will probably get more requests. Based on all of the conditions, the Board strongly supports the 4,000,000 tank, but the Drinking Water Board would like to see the engineering firm look at getting other communities to participate with the loans, so it is not just the Drinking Water Board, the Division and the tax payers of the State of Utah. Jay suggested giving the District some time to put that together and made the motion to continue the application for a sufficient period for the District to work on these things.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

d) Dutch John – Jesse Jackson

Jesse Johnson reported Dutch John Water System is requesting \$425,000 to install a backup generator on their treatment plant, install a new pump system and 10,450 feet of distribution pipe. Dutch John is in the process of repairing their drinking water and waste water system. The total estimated cost of the project is \$1,172,130. The remaining funding will come from the State and Tribal Assistance Grant, Bureau of Reclamation, and an applicant contribution.

Discussion followed.

Ron Thompson moved the Board authorize a \$427,130 construction loan to Dutch John Water System with a 3.59% Hardship Grant Assessment per annum, to be paid into the Hardship Grant Assessment Fund, for 30 years with \$212,130 in principal forgiveness, with the condition that they resolve all issues on their compliance report. A 1.0% loan origination fee of \$2,150 will be assessed which can be either absorbed by the authorized loan amount or paid by the water system, out of the system funds at loan closing.

Petra Rust seconded.

Discussion on motion.

**CARRIED
(Unanimous)**

e) Hinckley Town – Deauthorization – Rich Peterson

Rich Peterson reported that on November 12, 2008, the Drinking Water Board authorized a loan of \$85,000 at 2.56% to pay for cost overruns on their project. The Town had asked for a grant. Because the Drinking Water Board offered them a loan, they declined the offer from the Drinking Water Board. Sunrise Engineering will help them pay for the cost overrun.

Jay Franson moved the Board deauthorize the \$85,000 loan to the Town of Hinckley.

Petra Rust seconded.

**CARRIED
(Unanimous)**

f) Deseret Oasis SSD, Hinckley Town, Delta City – Rich Peterson

Rich Peterson reported the Drinking Water Board authorized a loan in 2002 to West Millard Water Agency (WMWA) to conduct a study to determine the course of action they needed to take to meet a mandate from EPA on providing no more than 10 ppb of arsenic to help protect public health. The study determined it would be most cost effective for each entity to make some modifications to their own water systems to reach compliance with the new rule. The WMWA was dissolved since its purpose had been served.

Alan Riding, Delta City representative, was available for any questions from the Board.

Alan addressed the Board.

Discussion followed.

Petra Rust moved the Drinking Water Board authorize a \$60,000 planning loan forgiveness to the members of the now dissolved West Millard Water Academy that consisted of Deseret-Oasis Special Service District, Hinckley Town, and Delta City.

Dave Stevens seconded.

**CARRIED
(Unanimous)**

g) Other Business

No other business.

**ITEM 6 – CROSS CONNECTION CONTROL COMMISSION MEMBERS RENEWAL –
Kim Dyches**

Kim Dyches reported the Cross Connection Control Commission currently has 7 members, whose terms last for 2 years. Gary Jenkins and Dan Smith are requesting that they are approved to serve another term on the Commission. Charles Jeffs has requested to be replaced on the Commission. Terry Smith is requesting to fill Charles Jeffs position on the Commission.

Discussion followed.

Jay Franson moved the Drinking Water Board appoint Terry Smith to replace Chares Jeffs on the Cross Connection Control Commission and reappoint Gary Jenkins and Dan Smith to another term on the Commission.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

ITEM 7 - SB 70 ADJUDICATIVE PROCEEDINGS – Ken Bousfield

Ken Bousfield reviewed the changes that were made in the “SB 70 Adjudicative Proceedings Department of Environmental Quality Amendments” during the 2009 General Session. The Chief Sponsor was Margaret Dayton. SB 70 was approved for filing by E.R. Brown on February 13, 2009. SB70 covers all of the Boards in the Department of Environmental Quality.

Discussion followed.

ITEM 8 – ENGINEER RULE AMENDMENTS – Bob Hart and Bill Birkes

a) R309-105-6(2)(b): Submission Items Associated with Exception Request

Bob Hart reviewed the changes in R309-105-6(2)(b). There may be times when the requirements are applicable or not applicable, depending on the situation at the time this rule is needed. The Executive Secretary can grant an exception that will not jeopardize public health.

b) R309-110-4 Master Plan Definition

Bob Hart reviewed the changes in R309-110-4. This rule refers to “master plan” several times in the rule without any indication of the elements considered as essential parts of a plan. Staff is proposing adding a definition of “master plan” listed alphabetically followed by the essential elements.

c) R309-500-5(2) and 500-6(3)(a) & (b): On-going O&B and Waiving of Plan Submittal

Bob Hart reviewed the changes in R309-500-5(2) and R309-500-6(3)(a) & (b). This rule deals with the operation and maintenance features. The changes in this rule are substantive. Staff is proposing adding the condition of previous review and approval of drinking water pipeline installation standards as an additional requirement, along with the identification of a professional engineer directly responsible for the entire drinking water system, before being eligible for plan review waivers.

Danny Fleming moved the Board authorize staff (for staff in believing the changes are substantive and the Board reviews the rules) to start the rulemaking process and file the proposed rule amendments for Rules R309-105-6(2)(b), R309-110-4, and R309-500-6(3)(b) for publication in the Utah Bulletin of April 1, 2009.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

ITEM 9 – RURAL WATER ASSOCIATION OF UTAH’S REPORT

Danny Fleming reported 1,584 are attending the Rural Water Association’s 2009 Annual Conference. Danny reviewed some of the highlights of the Conference for the Board.

Dale Pierson thanked the Drinking Water Board for the support they give the Rural Water Association.

Danny Fleming thanked the Drinking Water Board and staff for their cooperation, support, dedication, and work they do with the Rural Water Association.

ITEM 10 – CHAIRMAN’S REPORT

Chairman Erickson thanked Dale Pierson and the Rural Water Association of Utah’s staff for the outstanding work they did for the 2009 Annual Conference.

Chairman Erickson asked Ken Bousfield to tell Bill Birkes how much the Drinking Water Board appreciates him for his dedication and outstanding work he performed for the Division of Drinking Water and the Drinking Water Board during his tenure with the state before he retired.

Chairman Erickson mentioned how much the Drinking Water Board appreciates the dedication and hard work the Division of Drinking Water staff does for the Drinking Water Board and the public.

Chairman Erickson mentioned that the Rural Water Association holds a Best Drinking Water in the State of Utah yearly at their Annual Conference. The bottles of water furnished to the Board today were provided by the winner.

ITEM 11 – DIRECTORS REPORT

Ken Bousfield talked about the success of the Rural Water of Association’s 2009 Annual Conference.

Ken Bousfield thanked the Drinking Water Board members for the support they give staff and the Rural Water Association. Ken thanked the Drinking Water Board for the successful meetings they held this week during the Conference.

- a) Election of Chair and Vice Chair for 2009

Ken Bousfield mentioned the elections will be held at the April Board meeting.

ITEM 12 – LETTERS

Letters are in the packet.

ITEM 13 – NEXT BOARD MEETING

Date: April 23, 2009
Time of Board Meeting: 1:00 p.m.
Location: 168 North 1950 West, Room 101
Salt Lake City, Utah 84116

ITEM 14 – OTHER

Ken Bousfield invited the Drinking Water Board to Bill Birkes retirement party on March 10, 2009 in the main conference room of our building. The party is from 11:00 a.m. to 3:00 p.m.

ITEM 15 – ADJOURN

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

Danny Fleming moved the Drinking Water Board meeting adjourn at 3:50 p.m.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary