



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 APRIL 23, 2009 IN SALT LAKE CITY, UTAH

Board Members Present

Anne Erickson, Chairman
Ken Bassett
Daniel Fleming
Jay Franson
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
William Sinclair
David Stevens, Ph.D.
Ron Thompson

Board Members Excused

Myron Bateman, Vice Chairman

Staff

Ken Bousfield
Ken Wilde
Kate Johnson
Rich Peterson
Michael Grange
Bob Hart
Gary Kobzeff
Bob Hart
Sandy Pett
Heather Bobb
Linda Matulich

Guests

Jeff White, Logan City
Lance Houser, Logan City
Mark Davidson, Sunrise Engineering
Kelly Crane, Nolte Associates
Borden Jenkins, DM Engineers
Danette Sides, Austin SSD
Darin Robinson, Jones & DeMille Engineers
Matthew Milles, LYPB/Central Utah WCD
Mark Edminster, Lewis Young
Toni Turk, Mayor, Blanding City
Marti Gee, Mountain Regional WCD
Chris Webb, Blanding City
Doug Evans, Mountain Regional WCD
Andrew Armstrong, Mountain Regional WCD
Curtis Ludvigson, Rural Water Association
Jeff Stock, Mayor, Cannonville Town
Michael Duggin, Mayor, Daniel Town
Ron Rash, Salt Lake City
Chuck Birrenbach, Ticaboo SSD
Richard Nimori, Mayor, Corinne City
Todd Touchard, Park City
Kathy Lundborg, Park City
Scott Green, Mountain Regional WCD
Gary Sonntag, Price City
Joe Piccolo, Mayor, Price City
Steve Haluska, Dixie Deer SSD
Robert Parry, Dixie Deer SSD
Alan Packard, Jordan Valley WCD

Guests Continued

Terry Beebe, Utah Cty. Health Dept.
David Pitcher, Central Utah WCD
Dale Pierson, Rural Water Association
Chuck Jeffs, Rural Water Association
Kevin Brown, Sunrise Engineering
Ryan Jolley, Jones & DeMille Engineers
Chuck Dickison, Mayor, Town of Manila

Guests Continued

Korey Walker, Duchesne City, EPIC Engineers
Ryan Taylor, Daniel Town, EPIC Engineers
Scott Rogers, Aqua Engineers
Boyd Workman, Ashley Valley WCD
Dustyn Shaffer, Sunrise Engineering
Shane Swenson, Jordan Valley WCD

ITEM 1 - CALL TO ORDER

The Drinking Water Board was convened in Salt Lake City, Utah with Chairman Erickson presiding. The meeting was called to order at 1:00 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 10 Drinking Water Board members present at the time.

Chairman Erickson stated Myron Bateman is excused from the Board meeting today to be able to attend his son's wedding in New York.

ITEM 3 - INTRODUCTIONS

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

ITEM 4 - APPROVAL OF MINUTES - March 5, 2009

Chairman Erickson stated a motion was in order to approve the March 5, 2009 Drinking Water Board minutes.

Ron Thompson moved to approve the March 5, 2009 Drinking Water Board minutes.

Petra Rust seconded.

**CARRIED
(Unanimous)**

Chairman Erickson stated an emergency item needs to be added to the Finance Committee's ARRA Applications.

Paul Hansen moved to approve the emergency item to the Finance Committee's ARRA Applications.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

ITEM 5 - SETTING AN EFFECTIVE DATE OF APRIL 27, 2009 FOR RULE AMENDMENTS

Bob Hart reported the five rules were previously approved by the Board for publication. The public comment period has ended without any public comments. Staff recommends the Drinking Water Board authorize staff to set the effective date of April 27, 2009 for the five rules.

Petra Rust moved the Drinking Water Board authorize staff to set the effective date of April 27, 2009 for the five rule amendments, and close the comment period and receiving no substantive comments.

David Stevens seconded.

**CARRIED
(Unanimous)**

ITEM 6 - SETTING AN EFFECTIVE DATE OF MAY 11, 2009 FOR RULE AMENDMENTS

Bob Hart reported the three rule amendments comment period ends on May 1, 2009, and staff hasn't received any comments as of today. Bob Hart mentioned staff would like to wait until the Drinking Water Board meeting on June 4, 2009 for seeking approval to pending no comments, to move ahead with setting a second date for these last three rules.

Discussion followed.

Ron Thompson moved the Drinking Water Board authorize staff to set the effective date of May 11, 2009 for these three rule amendments, pending the close of the comment period and receiving no substantive comments, otherwise the three rules will come back to the Drinking Water Board.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

**NEW - ITEM 7 - FINANCIAL ASSISTANCE COMMITTEE'S EMERGENCY BOARD
ITEM - TRIDELL LAPOINT**

Ken Wilde reported in January the Drinking Water Board funded a \$10,000 planning grant to Tridell LaPoint to study how to fix the Merkley Drop water structure. It is on the edge of a 200-250 foot high drop in their bank.

Ken Wilde gave some background on the planning study to the Drinking Water Board. The county has agreed to pay for the study. Tridell LaPoint has asked permission to use the existing \$10,000 grant to fund an emergency by-pass waterline, since the Merkley Drop water structure has failed. The money would pay for the materials and others would provide the labor.

Staff is recommending the Drinking Water Board authorize a change in scope to construction work, and the additional \$10,000 grant to pay for pipe materials.

Jay Franson moved the Drinking Water Board authorize a change in scope and an additional \$10,000 in grant to the Tridell LaPoint Water Improvement District to construct an emergency bypass water line to their treatment plant.

Ken Bassett seconded.

**CARRIED
(Unanimous)**

ITEM 7 - FINANCIAL ASSISTANCE COMMITTEE REPORT

Chairman Erickson asked Ken Wilde to handle the Financial Assistance Committee Report.

1) Status Report

Ken Wilde reported the State Loan Fund program is in the red, after the Legislature took \$6,000,000 from the State SRF Loan Fund in spring. The Board should receive about \$5,500,000 in payments and sales tax revenues over the next 12 months.

Ken Wilde mentioned staff closed the Wells Town loan with State money. Staff moved Kane County Water Conservancy District's \$1,000,000 loan from the State program to the Federal program. Staff closed Loa's loan.

Ken Wilde reported the Federal Loan Fund program has \$27.4 million in first round money, \$3.5 million in second round money, almost \$1.4 million in interest revenue, and \$839,000,000 in the Hardship Grant Fund for a total of \$33,128,000, including the \$18,915,000. ARRA money and the \$8.2 million FY 2009 Capitalization grant.

Chairman Erickson thanked Ken and staff for their hard work on the stimulus project.

2) Project Priority List

Ken Wilde reported on the updated Project Priority List (page 6). This includes all projects. A separate Project Priority List was placed in the Intended Use Plan (IUP) for the American Recovery and Reinvestment Act of 2009.

Chairman Erickson stated a motion to approve the Project Priority List was in order.

Danny Fleming moved the Drinking Water Board approve the updated Project Priority List.

Petra Rust seconded.

**CARRIED
(Unanimous)**

3) Intended Use Plan - FINAL

Ken Wilde reported that staff has completed the IUP. Ken Wilde gave some background on the IUP Plan. Staff is recommending the Drinking Water Board approve the IUP Plan.

Discussion followed.

Ron Thompson moved the Drinking Water Board approve the IUP.

Petra Rust seconded.

**CARRIED
(Unanimous)**

4) Introduction to ARRA Requirements

Chairman Erickson read the ARRA Requirements in to the permanent record, so the applicants would know what to expect at the Drinking Water Board meeting.

5) ARRA Preliminary Evaluation Table

Ken Wilde mentioned he attended some meetings in Washington, D.C. The principal focus of the meetings was to review the stimulus package and what the criteria would be for the award and spending the ARRA funds.

Ken Wilde gave some detailed information about the ARRA program to the Drinking Water Board.

Discussion followed.

Jay Franson moved the Drinking Water Board authorize September 10, 2009 as the cut-off date for closing the projects to the applicants.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

6) ARRA Applications

a) Apple Valley - Jesse Johnson

Jesse Johnson reported Apple Valley is requesting financial assistance for \$4,000,000 to purchase two water systems; Apple Valley and Cedar Point Water Company, and to consolidate them into one system. About 75% of the project money would be to purchase the two water systems and their water rights.

The Financial Assistance Committee is recommending: 1) the Drinking Water Board does not authorize any funding at this time, and 2) staff will examine the project more closely before making a funding recommendation.

Jesse Johnson read a letter to the Drinking Water Board from the Mayor of Apple Valley.

Discussion followed.

Danny Fleming moved the Drinking Water Board not authorize any funding to Apple Valley at this time.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

b) Austin SSD - Julie Cobleigh

Julie Cobleigh reported that Austin Special Service District (SSD) is requesting financial assistance in the amount of \$454,000 to construct a backup well, replace waterlines, and construct a new storage tank. The cost of the entire project is approximately \$1,000,073. Austin SSD has applied to CIB for \$619,000. Austin SSD has identified existing deficiencies due to inadequate source and storages capacities. Austin SSD's distribution has numerous decisions deficiencies including inadequate pressures, asbestos pipe, leaking joints, and root intrusions in areas. Austin SSD qualifies for principle forgiveness.

Danette Sides and Darin Robinson, representatives for Austin SSD, were available to answer any questions and addressed the Drinking Water Board.

Discussion followed.

The Finance Committee recommends that the Board authorize a \$454,000 construction loan to Austin SSD with \$454,000 in principal forgiveness and two conditions: 1) that they resolve all issues in their compliance exemption, and 2) that they arrange for the balance of funding prior to loan closing.

Petra Rust moved the Drinking Water Board authorize a \$454,000 construction loan to Austin SSD with 100% interest in principal forgiveness, with two conditions: 1. Austin SSD resolve all issues on their compliance report, and 2. Austin SSD arrange for the balance of funding prior to loan closing.

David Stevens seconded.

**CARRIED
(Unanimous)**

c) Blanding City - Gary Kobzeff

Danny Fleming stated he has a conflict of interest with Blanding City's request.

Gary Kobzeff reported Blanding City is requesting financial assistance in the amount of \$358,000 to construct a new 3,000,000 gallon-a-day microfiltration treatment facility, and 5,300 feet of 16 inch pipeline from an existing reservoir to the new treatment facility. The total cost of the project is \$2,373,000. Blanding City has secured \$1.9 million from another agency funding and Blanding City will contribute \$115,000, which results in a \$358,000 need. The city qualifies for principal forgiveness based on the local MAGI. The state MAGI is approximately 70% based on Blanding City's projected water bill or 1.92% post construction.

The Financial Assistance Committee is recommending the Drinking Water Board authorize a loan of \$358,000 at 0% interest with 100% Principal Forgiveness to the City of Blanding.

Chris Webb and Mayor Toni Turk, representing Blanding City, were available to answer any questions, and addressed the Board.

Discussion followed.

Jay Franson moved the Drinking Water Board authorize a loan of \$358,000 at 0% interest with 100% principal forgiveness to the City of Blanding.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

Danny Fleming returned to the Drinking Water Board meeting.

d) Cannonville - Jesse Johnson

Jesse Johnson reported Cannonville Town Waterworks is requesting financial assistance in the amount of \$333,333 to install approximately 11,000 linear feet of transmission line and repair an existing 200,000 gallon storage tank. Based on the projected water bill post construction, the town does qualify for principal forgiveness.

The Financial Assistance Committee is recommending the Drinking Water Board authorize a \$333,333 construction loan to Cannonville Town Waterworks with 100% principal forgiveness, and the condition that they resolve all issues on their compliance report.

Mayor Jeff Stock, representing Cannonville City, was available to answer any questions, and addressed the Drinking Water Board.

Discussion followed.

Ken Bassett moved the Drinking Water Board authorize a \$333,333 construction loan to Cannonville Town Waterworks with 100% interest principal forgiveness, with the condition that they resolve all issues on their compliance report.

Petra Rust seconded.

**CARRIED
(Unanimous)**

e) Central Utah WCD - Ashley Valley - Michael Grange

Ken Bassett declared a conflict of interest with this project. Ken Bassett stayed during the discussion. Ken Bassett did not vote.

David Pitcher, Boyd Workman and Matthew Milles, representing Central Utah Water Conservancy District (WCD), were available for any questions and addressed the Drinking Water Board.

Michael Grange reported the Central Utah WCD - Ashley Valley is requesting \$5,000,000 to construct treatment plant improvements to bring the facility's production capacity to its designed capacity of 15,000,000 gallons per day. The total project cost is estimated at being \$19,643,880. Central Utah WCD will put \$4,643,880 in to the project, and apply for CIB funding.

Michael Grange mentioned the Ashley Valley Water Treatment Plant, located in the Uintah Basin, serves water to a number of districts in that area. The plant constructed a 15,000,000 million gallon a day plant.

The Financial Assistance Committee is recommending the Drinking Water Board authorize a \$4,000,000 construction loan, with a 2% Technical Assistance Fee assessed annually on the unpaid loan balance for 10 years to Central Utah WCD to construct improvements at the Ashley Valley Water Treatment Plant, with the condition that the treatment plant resolve all issues on its compliance report. A 1% loan origination fee of \$40,000 will be assessed on this project.

Dave Pitcher, Boyd Workman and Matthew Milles, Central Utah WCD's representatives, were available to answer any questions, and addressed the Drinking Water Board.

Discussion followed.

Ron Thompson moved the Drinking Water Board authorize a \$4,000,000 construction loan, with a 2.0% Technical Assistance Fee assessed annually on the unpaid loan balance for 10 years to CUWCD to construct treatment plant improvements at the Ashley Valley Water Treatment Plant, with the condition that the water treatment plant resolves all issues on its compliance report. The loan will be approved based on the modified debt service schedule presented at the Drinking Water Board meeting today that would require technical assistance fee payments only through 2020, with a balloon payment in March 2021 of \$4,000,000 plus a Hardship Grant Assessment. A 1% loan origination fee of \$40,000 will be assessed.

Jay Franson seconded.

CARRIED

Ten voted yes.

Ken Bassett abstained.

f) Corinne City - Jesse Johnson

Jesse Johnson reported that at the January 14, 2009 Drinking Water Board meeting, the Drinking Water Board authorized Corinne City for a \$3,632,750 construction loan with \$790,750 in principal forgiveness and a 1.8% Hardship Grant Assessment fee per annum.

At that meeting, Corinne City requested that they be considered for ARRA and additional principal forgiveness money as well when it is approved.

Jesse Johnson reported the Financial Assistance Committee is recommending the Drinking Water Board reauthorize a \$3,604,330 construction loan with \$1,000,333 and principal forgiveness to Corinne City with a 1.8% Hardship Grant Assessment fee per annum for 30 years to be paid into the Hardship Grant assessment fund, and the principal payments are adjusted as previously approved.

Mayor Richard Nimori, representing Corinne City, was available to answer to answer any questions, and addressed the Drinking Water Board.

Discussion followed.

Ron Thompson moved the Drinking Water Board reauthorize a \$3,604,330 construction loan at 1.8% Hardship Grant Assessment with \$1,000,330 principal forgiveness with the caveat that staff evaluate the fees associated with the design and construction management prior to loan closing to try to make sure those are reasonable costs to get the best deal possible within the realms of reasonable costs.

Discussion on motion.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

Bill Sinclair stepped away from the Drinking Water Board.

g) Town of Daniel - Michael Grange

Michael Grange reported the Town of Daniel recently incorporated, and acquired Daniels Domestic Water Company. The Town of Daniel Water System is now facing some undersized water distribution lines, low pressure, inadequate storage, deteriorated storage structures, unsafe distribution pipe material, and other exiting infrastructure that is approaching the end of its useful life. The Town of Daniel will be providing \$40,000 to the project. The Town of Daniel has requested an additional \$318,000 from CDBG.

The Town of Daniel fronted the initial \$21,000 for the engineering study and the master plan for their water system. The Town of Daniel's local MAGI is \$34,000.

The Financial Assistance Committee recommends that the Drinking Water Board authorize a \$2,180,000 construction loan, with a 0.5% Technical Assistance Fee assessed annually on the unpaid loan balance for 30 years, with \$1,090,000 in principal forgiveness to the Town of Daniel for drilling their new well, constructing a new 800,000 gallon concrete culinary water storage reservoir, a new pump station, and a new PRV vault.

Bill Sinclair returned to the Drinking Water Board meeting.

Ryan Taylor and Mayor Mike Duggin, representing the Town of Daniel, were available to answer any questions, and addressed the Drinking Water Board.

Discussion followed.

Paul Hansen moved the Drinking Water Board authorize the \$2,180,000 construction loan with 0.50% Technical Assistance Fee assessed annually on the unpaid loan balance for 30 years, with \$1,090,000 in principal forgiveness for the purposes described in the staff recommendation.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

h) Dixie Deer SSD - Julie Cobleigh

Julie Cobleigh reported Dixie Deer Special Service District (SSD) is requesting financial assistance in the amount of \$1,868,190 to drill and equip a new well and replace water lines. Dixie Deer SSD is in need of a second source. Dixie Deer (SSD) also has many deficiencies in their distribution system related to low pressure, leaks and inadequate flows. The total cost of the project is estimated to be \$2,940,190. Dixie Deer (SSD) will contribute \$72,000 toward the project.

The District submitted an application for \$1,000,000 to Rural Development. They qualify for principal forgiveness. The proposed water bill after construction of the project with a full loan would be about \$80, which is 3.83% of the local MAGI. The calculated interest rate is 2.65%.

The Financial Assistance Committee recommends that the Drinking Water Board authorize a construction loan of \$1,879,090 to Dixie Deer Special Service District, with a 1.45% Technical Assistance Fee per annum for 20 years, and \$1,370,090 in principal forgiveness with the condition that they resolve any issues on their compliance report.

Dustyn Shaffer and Steve Haluska, Chairman, representing Dixie Deer SSD, were available to answer any questions, and address the Drinking Water Board.

Discussion followed.

Ron Thompson moved the Drinking Water Board authorize a construction loan of \$1,879,090 to Dixie Deer SSD with a 1.45% Technical Assistance Fee per annum for 20 years and \$1,370,090 in principal forgiveness, with the condition that they resolve any issues on their compliance report. The loan amount mentioned above includes the \$10,900 planning loan previously authorized.

Bill Sinclair seconded.

**CARRIED
(Unanimous)**

Chairman Erickson excused Ken Bassett from the Drinking Water Board meeting.

i) Duchesne City - Jesse Johnson

Jesse Johnson reported Duchesne City is requesting financial assistance to upgrade their waterlines throughout the eastern portion of the city. The total cost of the project is \$824,000. Based on the local MAGI and the projected water bill post construction, the City does not qualify for principal forgiveness.

The Financial Assistance Committee recommends that the Drinking Water Board authorize an \$824,000 construction loan to Duchesne City with the technical assistance assessment fee of 2.24% interest per annum for 20 years, with the condition that they resolve all of the issues on their compliance report. A 1% loan origination fee of \$8,240 will be assessed, which can be absorbed by the authorized loan amount or paid by the water system at the loan closing.

Korey Walker, Epic Engineering, mentioned the Mayor has a previous commitment and is unable to attend the Drinking Water Board meeting today.

Korey Walker, representing Duchesne City, was available to answer any questions, and addressed the Drinking Water Board.

Discussion followed.

Petra Rust moved the Drinking Water Board authorize an \$824,000 construction loan to Duchesne City with a technical assistance assessment fee of 2.24% per annum for 20 years, with the condition that they resolve all issues on their compliance report. A 1.0% loan origination fee of \$8,240 will be assessed which can be either absorbed by the authorized loan amount or paid by the water system, out of the system funded at loan closing.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

j) Jordan Valley WCD - Pipeline - Jesse Johnson

Jesse Johnson reported Jordan Valley Water Conservancy District (WCD) is requesting financial assistance in the amount of \$6,000,000 to replace 23,000 feet of 16-inch diameter transmission line.

The Finance Assistance Committee is recommending the Drinking Water Board authorize a \$3 million construction loan to the Jordan Valley WCD, with a 1.64% Technical Assistance Fee per annum for 10 years. A 1% loan origination fee of \$30,000 would be assessed, which can be absorbed by the authorized loan amount or paid by the water system out of the system funds. Jordan Valley WCD has no issues on their compliance report.

Alan Packard, Assistant General Manager, representing Jordan Valley WCD, was available to answer any questions, and addressed the Drinking Water Board.

Discussion followed.

Jay Franson moved the Drinking Water Board authorize a \$3,000,000 construction loan to the Jordan Valley WCD with a 1.64% Technical Assistance Fee per annum for 10 years. A 1.0% loan origination fee of \$30,000 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.

**CARRIED
Unanimous)**

k) Logan City - Michael Grange

David Stevens declared a conflict of interest, remained in the room during the discussion, and didn't vote.

Michael Grange reported Logan City is requesting \$1,025,000 in financial assistance to install a microturbine power generator at the pumphouse, near the water storage tank farm, at the mouth of Logan Canyon. The power generated by this new microturbine will supplement power usage at the tank farm and pumphouse, and any excess power generated will be sold to Logan Light & Power. The total cost of the project is estimated to be \$1,025,000. This project qualifies in total as "green infrastructure" as defined in the "American Recovery and Reinvestment Act of 2009".

The Financial Assistance Committee is recommending the Drinking Water Board authorize a \$1,025,000 construction loan at 1.5% interest with \$400,000 in principal forgiveness to Logan City to install a microturbine power generator at their pump house. The loan portion of the funding package is to be repaid no later than June 30, 2010. Logan City must also resolve issues on their compliance report.

Jeff White and Lance Houser, representing Logan City, were available to answer any questions and addressed the Drinking Water Board.

Discussion followed.

Danny Fleming moved the Drinking Water Board authorize a \$1,025,000 construction loan at 1.5% interest with \$400,000 in principal forgiveness to Logan City to install a microturbine generator at the pump house. The loan portion of the funding package is to be repaid no later than June 30, 2010. Logan City must resolve all issues on their compliance report.

Helen Graber seconded.

CARRIED

Ten voted yes.

David Stevens abstained.

1) Manila - Julie Cobleigh

Julie Cobleigh reported the Town of Manila is requesting financial assistance to construct a new water storage tank, upgrade water lines, and add radio read water meters. The cost of the entire project is \$2,977,246.

Staff said that \$556,000 project costs of project costs which would count towards the "green infrastructure" requirement as defined in the "American Recovery and Reinvestment Act of 2009" that we must meet.

Staff has discussed the project with Rural Development, and they are interested in co-funding the project.

The Financial Assistance Committee recommends that the Drinking Water Board authorize a loan of \$556,000 at 0%, with 100% principal forgiveness, with the condition that the Town of Manila secures the remaining funds of \$2,421,246 from Rural Development, CIB or another source.

Chuck Dickison, Mayor of Manila, and Kevin Brown, representing the Town of Manila, were available for any questions and addressed the Drinking Water Board.

Ron Thompson stepped out from the Drinking Water Board meeting.

Discussion followed.

Paul Hansen moved the Drinking Water Board authorize a loan of \$556,000 at 0.0% with 100% principal forgiveness with the added condition that the Town secures the remaining funds of \$2,421,246 form Rural Development/USA, CIB, or another source.

Discussion on motion.

David Stevens seconded.

**CARRIED
(Unanimous)**

m) Mountain Regional SSD - Julie Cobleigh

Julie Cobleigh reported Mountain Regional Special Service District (SSD) is requesting financial assistance in the amount of \$2,000,000 to add pretreatment to their Signal Hill Water Treatment Plant. The cost of the entire project is estimated to be approximately \$2,445,256. Mountain Regional SSD will contribute \$445,256 for the project.

The Financial Assistance Committee recommends that the Drinking Water Board authorize a \$2,000,000 construction loan to Mountain Regional Water SSD with a 1.35% for Technical Assessment Fee per annum for 10 years, and \$1,500,000 in principal forgiveness, with the condition that they resolve all issues on their compliance report.

Andrew Armstrong, General Manager, Scott Green, Marti Gee, Doug Evans, and Scott Rogers, representing Mountain Regional SSD, were available to answer any questions, and addressed the Drinking Water Board.

Discussion followed.

Petra Rust moved the Drinking Water Board authorize a \$2,000,000 construction loan to MRWSSD with a 1.53% Technical Assistance Fee per annum for 10 years and \$1,500,000 in principal forgiveness, with the condition that they resolve all issues on their compliance report.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

n) Park City - Julie Cobleigh

Julie Cobleigh reported Park City is requesting financial assistance in the amount of \$2,500,000 to construct a raw water transmission line that will deliver water from Mountain Regional Lost Canyon raw water supply line to a proposed treatment to a proposed treatment plant in Park City. Currently, Park City is deficient in source capacity. The cost of the entire transmission project is approximately \$8,000,000.

The Water Resources Board authorized funding for this project in the amount of \$5,200,000 at 0% interest. However, they have lost their funding and they are not able to help Park City out. Park City will be contributing the balance through municipal bonds.

The Financial Assistance Committee recommends that the Drinking Water Board authorize a \$2.5 million construction loan to Park City with 0% interest per annum for 20 years with the condition that they resolve all issues in their compliance report. A 1.0% loan origination fee of \$25,000 will be assessed, which can either be absorbed in the authorized loan amount or be paid by the City at loan closing.

Kathy Lundborg, Water Manager, and Todd Touchard, representing Park City, were available to answer any questions and addressed the Drinking Water Board.

Discussion followed.

Ron Thompson moved the Board authorize a \$2,500,000 construction loan to Park City with a 0.0% interest per annum for 20 years, with the condition that they resolve all of the issues on their compliance report. A 1.0% loan origination fee of \$25,000 will be assessed, which, either can be absorbed in authorized loan amount or paid by the City at loan closing.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

o) Price City - Gary Kobzeff

Gary Kobzeff reported Price City is requesting financial assistance in the amount of \$1,906,000 to replace existing water mains of various sizes that are old and deteriorating cast iron lead joint pipe. Pipe replacement totals 10,800 feet with approximately 250 service connections, including fire hydrants, valve replacements and canal crossings. Based on Price City's local MAGI, which is approximately 92% of the states MAGI and the city's projected water bill after construction, Price City does not qualify for principal forgiveness. A loan amount of \$1,906,000 at 2.07% interest will allow the city to maintain a water bill of \$26.19 a month at .094% interest of local MAGI.

Danny Fleming stepped out.

The Financial Assistance Committee recommends that the Drinking Water Board authorize a \$1,906,000 construction loan to Price City with a 2.07% Technical Assistance Fee per annum for 20 years.

Danny Fleming returned.

Mayor Joe Piccolo and Gary Sonntag, representing Price City, were available to answer any questions, and address the Drinking Water Board.

Discussion followed.

Jay Franson moved the Drinking Water Board authorize a \$1,906,000 construction loan to Price City with a 2.07% Technical Assistance Fee per annum, for 20 years, with the condition that they resolve all issues on their compliance report. A 1.0% loan origination fee of \$19,060 will be assessed, which can be either absorbed in the authorized loan amount or paid by the water system out of system funds at loan closing.

Bill Sinclair seconded.

**CARRIED
(Unanimous)**

p) Salt Lake City - Michael Grange

Michael Grange reported Salt Lake City is requesting \$1,513,600 in financial assistance to install a microturbine power generator and replace aging control valves at the Parley's Water Treatment Plant. Power generated by the new microturbine will supplement power usage at the treatment plant and any excess power will be sold to the public utility. Replacing the control valves will allow the treatment plant to more efficiently regulate flow through their treatment process. The total project cost is estimated to be \$2,808,600 with Salt Lake City committing to providing \$1,295,000 to the project. This project qualifies as green infrastructure under the provisions of the "American Recovery and Reinvestment Act of 2009".

The Financial Assistance Committee recommends that the Drinking Water Board authorize a \$1,513,600 construction loan, with a Technical Assistance Fee of 2.67% per annum for 10 years with \$153,600 in principal forgiveness to Salt Lake City to install a microturbine and replace aging control valves at the Parleys Water Treatment Plant.

Ron Rash, Carollo Engineers, representing Salt Lake City, was available to answer any questions, and addressed the Drinking Water Board.

Discussion followed.

Paul Hansen moved the Drinking Water Board authorize a \$1,513,600 construction loan with a Technical Assistance Fee of 2.67% per annum for 10 years with \$153,600 in principal forgiveness to Salt Lake City to install a microturbine and replace aging control valves at the Parley's Water treatment plant, with the condition that the water system resolve all issues identified on its compliance report and with the understanding that if staff doesn't see any progress by the September 2009 deadline, that funds will be released to others.

David Stevens seconded.

**CARRIED
(Unanimous)**

q) Sigurd Town - Gary Kobzeff

Gary Kobzeff reported the Financial Assistance Committee recommends that the Drinking Water Board table the application until the June 4, 2009 Drinking Water Board meeting to give Sigurd Town time to apply for financial assistance with Rural Development.

Discussion followed.

Jay Franson moved the Drinking Water Board table Sigurd Town's request until the June 4, 2009 Drinking Water Board meeting in order to get more information.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

r) Ticaboo SSD - Julie Cobleigh

Julie Cobleigh reported Ticaboo Special Service District (SSD) is requesting financial assistance in the amount of \$502,500 to develop a new well, install water meters, and connect two dead- end water lines to provide adequate capacity and pressures. Approximately \$148,000 of this project qualifies as green infrastructure as defined by ARRA of 2009. Based on local MAGI and anticipated water bill post construction, Ticaboo SSD qualifies for principle forgiveness.

The Finance Assistance Committee recommends the Drinking Water Board authorize a \$502,500 construction loan to Ticaboo SSD with 100% principal forgiveness, with the condition that they resolve all issues on their compliance report.

Chuck Birrenbach and Ryan Jolley, Jones & DeMille Engineering, representing Ticaboo SSD, were available to answer any questions, and addressed the Drinking Water Board.

Discussion followed.

Ron Thompson moved the Drinking Water Board authorize a \$502,500 construction loan to Ticaboo SSD with 100% principal forgiveness, with the condition that they resolve all issues on their compliance report.

Petra Rust seconded.

**CARRIED
(Unanimous)**

s) Washington County WCD - Quail Creek - Jesse Johnson

Ron Thompson declared a conflict of interest, and left the room during this agenda item.

Jesse Johnson reported the Washington County Water Conservancy District (WCD) is requesting financial assistance in the amount of \$10,455,000 to construct a 20 million gallon (MG) storage tank. The total project cost is \$12,445,000 with an applicant contribution of \$2,000,000. Currently, the District has 14,000,000 gallons in storage and it is not enough for the plant to operate at full capacity. The District sells water to six communities in Washington County, and 4 of the 6 communities have estimated water bills of over \$1.75% of their MAGI. The Finance Assistance Committee recommendation includes principal forgiveness and an interest buy-down of 1.16% which would bring the calculated interest rate from 2.36% down to 1.2%.

The Financial Assistance Committee recommends the Drinking Water Board authorize a \$4,000,000 construction loan to the Washington County WCD with a 1.20% technical assistance fee per annum for 10 years and \$1,000,000 or 25% in principal forgiveness with the conditions that they secure the balance of the funds for the 20,000,000 gallon tank from other sources and correct any deficiencies on their compliance report.

Craig Ashcroft, Carollo Engineers representing Washington County Water Conservancy District, was available for any questions and addressed the Drinking Water Board.

Discussion followed.

Paul Hansen moved the Drinking Water Board authorize a \$4,000,000 construction loan to the Washington County WCD with a 1.20% technical assistance fee per annum for 10 years and \$1,000,000 in principal forgiveness, with the conditions that they secure the balance of the funds for the 20 MG tank from other sources and correct any deficiencies on their compliance report.

Jay Franson seconded.

**CARRIED
(Unanimous)**

Ron Thompson returned.

ITEM 8 - ELECTIONS OF CHAIR AND VICE CHAIR FOR 2009

Chairman Erickson opened elections for the Chairman and the Vice Chairman of the Drinking Water Board for the coming year.

NOMINATIONS FOR CHAIRMAN:

Ron Thompson nominated Jay Franson.

Helen Graber Rust nominated Paul Hansen.

Private ballot voting was done.

Paul Hansen was elected as the Drinking Water Board Chairman.

NOMINATIONS FOR VICE CHAIRMAN:

Petra Rust nominated Ken Bassett.

Jay Franson nominated Ron Thompson.

Private ballot voting was done.

Ken Bassett was elected as the Drinking Water Board Vice Chairman.

ITEM 9 - LETTERS

The letters are in the packet.

ITEM 10 - CHAIRMAN'S REORT

Chairman Erickson mentioned she has been with the Drinking Water Board for 10 years. Chairman Erickson commented she has a background in higher education, starting out teaching mathematics in high school and college, became an Administrator and finished her career as the Vice President of the Salt Lake Community College.

Chairman Erickson said she didn't have any background knowledge in drinking issues, when she became a member of the Drinking Water Board. Chairman Erickson mentioned she has learned an enormous amount about drinking water, the agencies that the Drinking Water Board works with and the State of Utah.

Chairman Erickson mentioned that she greatly appreciates her relationships with the Division of Drinking Water, the Drinking Water Board members, the staff of the Rural Water Association of Utah, and the people, in the state of Utah, and commented that they all cooperate remarkably well are in the drinking water arena.

Chairman Erickson thanked the Drinking Water Board members and the Division of Drinking Water staff for their association.

ITEM 11 - DIRECTORS REPORT

Ken Bousfield mentioned the Drinking Water Board members authorized \$32.2 million to the drinking water applicants at the Drinking Water Board meeting today.

Ken Bousfield commended Anne Erickson for her outstanding work and leadership as the Chairman for the Drinking Water Board. Ken mentioned how staff appreciates the working relationship they have with the Drinking Water Board.

Ken Bousfield mentioned he will visit Myron Bateman in the near future, and present him with a couple of tokens of appreciate the Board and staff.

Jay Franson moved that the Drinking Water Board officially acknowledge Anne Erickson's and Myron Bateman's contributions to the Drinking Water Board and the State's water systems and also serving for many years the citizens of the State of Utah.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

All of the Drinking Water Board members seconded.

Petra Rust mentioned how much Anne Erickson and Myron Bateman will truly be missed. It has been a pleasure and a joy of being on the Drinking Water Board with Anne and Myron.

Anne Erickson said she will miss everyone very much from the Division of Drinking Water staff, the Drinking Water Board, and everyone she has known and worked with over the past 10 years.

Ken Bousfield mentioned he has had meetings on the Hydraulic Modeling Rule, but will defer comments regarding this until the next Drinking Water Board meeting.

ITEM 12 - NEXT BOARD MEETING

Date: June 4, 2009

Start at: 8:30 a.m.

Meet at the: Division of Drinking Water's offices
150 North 1950 West
Salt Lake City, Utah 84116

Drive to the: Magna Water District, EDR Plant
6750 West 2820 South
Magna, Utah

Start at: 9:00 a.m.

Tour the: EDR Plant

Lunch: Furnished by Apple Spice Catering

Lunch served at: 168 North 1950 West, Room 101
Salt Lake City, Utah 84116

Start Board Meeting at: 1:00 p.m.

Location: 168 North 1950 West, Room 101
Salt Lake City, Utah 84116

ITEM 13 - OTHER

Chairman Erickson reported when she was Vice Chair and moved up to being Chair; she elected to stay on the SRF Committee as part of her assignment of Chair of the Drinking Water Board. Chairman Erickson mentioned it is very worthwhile for the Board Chair to continue be on the SRF Committee. It will help the Chair be more informed on what the issues have been, and felt she did a better job because of being on the Financial Committee.

Chairman Erickson reported while she was on the Drinking Water Board, one of the opportunities she has had was to visit the drinking water systems throughout the State of Utah. This has been very informative for the Drinking Water Board members. Chairman Erickson recommended the Drinking Water Board continue going on the tours to visit drinking water systems.

ITEM 14 - ADJOURN

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

Ron Thompson moved to adjourn the Drinking Water Board meeting at 4:45 p.m.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

**Linda Matulich
Recording Secretary**