



State of Utah

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

Department of Environmental Quality

Amanda Smith
Acting Executive Director

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

Drinking Water Board
Paul Hansen, P.E., *Chair*
Ken Bassett, *Vice-Chair*
Terry Beebe
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Betty Naylor
Petra Rust
Amanda Smith
David Stevens, Ph.D.
Ron Thompson
Kenneth Bousfield, P.E.
Executive Secretary

MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON JUNE 4, 2009 IN SALT LAKE CITY, UTAH

Board Members Present

Ken Bassett, Vice Chair
Terry Beebe
Danny Fleming
Helen Graber, Ph.D.
Betty Naylor
Petra Rust
David Stevens
Ron Thompson

Board Members Excused

Paul Hansen, Chair
Jay Franson
Amanda Smith

Staff

Ken Bousfield
Ken Wilde
Rich Peterson
Julie Cobleigh
Michael Grange
Gary Kobzeff
Jesse Johnson
Linda Matulich

Guests

Dale Pierson, Rural Water Association
Chuck Jeffs, Rural Water Association
Clyde Watkins, Rural Water Association
Nathan Hall, Rural Water Association
Clyde Ludvigson, Rural Water Association
Joseph Santos, Epic Engineering, PC
Rod Mills, Central Iron County WCD
Scott Wilson, Central Iron County WCD
Kelly Crane, Nolte Engineering
Philip Leslie, Leslie & Associates, Minersville Town
Robert Craw, Mayor, Minersville Town
Kevin Carter, Minersville Town
Doug Nielsen, Sunrise Engineering
Marie Owens, Jordan Valley WCD
Robert Casper, Tabiona City Councilman
Kerry Engelhardt, HACH
Glenn Mann, HACH

ITEM 1 - CALL TO ORDER

The Drinking Water Board convened in Salt Lake City, Utah with Vice Chairman Bassett presiding. The meeting was called to order at 1:00 p.m.

ITEM 2 - ROLL CALL

Vice Chairman Bassett asked Ken Bousfield to call roll of the Drinking Water Board members. The roll call showed there were 8 Drinking Water Board members present at the time.

ITEM 3 - INTRODUCTIONS

Vice Chairman Bassett welcomed everyone and asked the guests to introduce themselves.

Vice Chairman Bassett introduced two new Board members; Terry Beebe and Betty Naylor. Terry Beebe and Betty Naylor shared some background information about themselves.

ITEM 4 - APPROVAL OF MINUTES - April 23, 2009

Vice Chairman Bassett stated a motion was in order to approve the April 23, 2009 Drinking Water Board minutes.

Helen Graber made two changes to the minutes:

- 1) Item No. 8 - Elections of Chair and Vice Chair

NOMINATIONS FOR CHAIRMAN:

The sentence reads: *Petra Rust* nominated Paul Hansen.

The sentence should read: **Helen Graber** nominated Paul Hansen.

- 2) Item No. 10 - Chairman's Report

The sentence reads: Chairman Erickson mentioned that *contrary to working in academia*, 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, that cooperate* remarkably well are in the drinking water arena.

The sentence should to read: 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.

Helen Graber moved the Drinking Water Board approve the April 23, 2009 Drinking Water Board minutes with the two corrections as stated above.

Petra Rust seconded.

CARRIED

Six voted Yes.

Betty Naylor and Terry Beebe abstained.

Vice Chairman Bassett mentioned Chairman Hansen asked to be excused from the Board meeting today, and asked him to conduct the Board meeting.

ITEM 5 - FINANCIAL ASSISTANCE COMMITTEE REPORT

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

1) Status Report

Ken Wilde reported the Drinking Water Board currently has \$169,000 in the State Loan Fund. The Drinking Water Board will receive \$3.6 million from the sales tax revenue, of which \$138,000 will be used for administrative fees for the Drinking Water Board and \$1,629,200 will be used as our match for the FY'09 Capitalization Grant. This will leave \$1.8 million to use for the State SRF financial assistance. The Drinking Water Board will receive interest on investments, principle payments of \$2.9 million and interest of about \$846,000 for a total of almost \$5,600,000. This money is our anticipated receipts through May 2010.

Ken Wilde reported that President Obama is recommending approximately \$15,000,000 for the federal SRF program. The Drinking Water Board would receive about \$15 million, and would need to have a state match of about \$3,000,000 to transfer to the federal fund. This would leave the Drinking Water Board about \$2.6 million to use for the State SRF financial assistance.

Ken Wilde mentioned the state treasury has almost \$3.8 million right now.

Ken Wilde mentioned that the balance sheet for the State SRF shows that the fund is \$1.6 million in the red. That is because we have shown the \$1,629,200 State match for the FY'09 Capitalization Grant as an obligation. We should be getting the 2009 grant money in July. We will pay the \$1.63 million match as we receive the sales tax money each month.

2) Project Priority List

Ken Wilde reported some new projects have been added to the project priority list. The new projects weren't listed because there were so many of them. Staff is recommending the Drinking Water Board authorize the updated Project Priority List.

Ron Thompson moved the Drinking Water Board approve the updated Project Priority List.

Petra Rust seconded.

**CARRIED
(Unanimous)**

3) SRF Applications

a) City of Enterprise - Rich Peterson

Rich Peterson reported the Drinking Water Board authorized a planning loan of \$7,000 to the City of Enterprise. Enterprise City doesn't need the planning loan now.

Staff is recommending the Drinking Water Board deauthorize the \$7,000 planning loan to Enterprise City.

Ron Thompson moved the Drinking Water Board deauthorize the \$7,000 planning loan to Enterprise City.

David Stevens seconded.

**CARRIED
(Unanimous)**

b) Eureka City - Rich Peterson

Rich Peterson reported Eureka City is requesting a planning loan of \$18,000 to create a master plan for their community. Eureka City does not qualify for a grant.

Staff is recommending the Drinking Water Board authorize an \$18,000 planning loan at 0.0% for 5 years.

Danny Fleming moved the Drinking Water Board approve the \$18,000 planning loan at 0.0% interest for 5 years, repaying \$3,600 annually, beginning one year from the date the loan agreement is signed, with the option that the City may roll the balance of any loan principle into a future construction loan at the interest rate established when said construction project is authorized. This authorization is subject to the availability of funds.

Petra Rust seconded.

**CARRIED
(Unanimous)**

c) Wooden Shoe Water Company - Gary Kobzeff

Gary Kobzeff mentioned the Wooden Shoe Water Company is requesting a planning advance in the amount of \$66,000 to update their culinary water system master plan. The Financial Assistance Committee is recommending the Drinking Water Board authorize a \$56,000 planning loan to the Wooden Shoe Water Company at 0% for 5 years and a \$10,000 grant.

Joe Santos, representing Wooden Shoe Water Company, was present and addressed the Drinking Water Board.

Discussion followed.

Ron Thompson moved the Drinking Water Board table Wooden Shoe Water Company's request to the next Drinking Water Board meeting.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

d) Veyo Culinary Water Association - Gary Kobzeff

Gary Kobzeff reported the Veyo Culinary Water Association is requesting financial assistance of \$775,000 to replace 11,000 feet of undersized and deteriorating PVC, steel transmission, distribution lines ranging in size from 2" to 6", and relocate 3 storage tanks.

Gary Kobzeff reported Veyo Culinary Water Association received a \$50,000 planning loan earlier. The planning loan will be rolled into the funding package, which will increase the loan request from \$775,000 to \$825,000. The local MAGI and anticipated water bill are also factored in the increase of the loan. The \$825,000 loan would carry a technical assistance fee of 2.53% per annum, and \$137,000 in principal forgiveness.

Kelly Crane, Nolte Associates, was present and addressed the Drinking Water Board.

Discussion followed.

Petra Rust moved the Drinking Water Board approve the \$825,000 construction loan to Veyo Culinary Water Association with a 2.53% Technical Assistance Fee per annum for 20 years, with \$137,000 in principal forgiveness with the condition that they resolve all issues on their compliance report. This authorization is subject to the availability of funds.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

e) Central Iron County WCD - Phase III- A - Julie Cobleigh

Julie Cobleigh reported Central Iron County Water Conservancy District (WCD) is requesting financial assistance for Phase III-A of their project. The project consists of a 4,000,000 gallon tank, connecting to the Park West Subdivision, and resolving all of their deficiencies. The cost of the entire project is roughly \$4,000,000. The District has an application with Rural Development. Rural Development is interested in co-funding the project.

Julie Cobleigh mentioned the Financial Assistance Committee is recommending a \$694,705 construction loan with a 2.17% Technical Assistance Fee per annum for 30 years with \$520,705 in principal forgiveness with three conditions: 1) The District will resolve all of the issues in their compliance report, 2) the Drinking Water Board will only pay for the Park West portion of the project, and 3) the District will work on establishing standby fees for undeveloped lots that will be sold in the future. The Central District may elect to accept the principal forgiveness from the Drinking Water Board and the loan portion from Rural Development to reduce closing costs.

Rod Mills and Scott Wilson, representing Central Iron County Water Conservancy District, were present and addressed the Drinking Water Board.

Discussion followed.

Ron Thompson moved the Drinking Water Board approve the \$694,705 construction loan to Central Iron County WCD with a 2.17% Technical Assistance Fee per annum for 30 years with \$520,705 in principal forgiveness, with the following conditions: 1. The District resolve all issues on their compliance report, 2. The Drinking Water Board will only pay for the Park West portion of this project, and 3. The District shall require standby fees for undeveloped lots within the Park West Subdivision. The District may elect to accept the principal forgiveness from the Drinking Water Board and receive the loan portion from Rural Development to reduce the closing costs. This authorization is subject to the availability of funds.

Question on motion

Petra Rust seconded.

**CARRIED
(Unanimous)**

f) Minersville Town - Julie Cobleigh

Julie Cobleigh reported Minersville Town is requesting financial assistance of \$362,000 to install automated meters and replace an old deteriorated line. The cost of the entire project is about \$385,000. Minersville Town will contribute \$23,000 towards the project, and \$80,000 of the project qualifies for the green - energy efficient program. Minersville doesn't qualify for principal forgiveness.

Julie Cobleigh mentioned the Financial Assistance Committee is recommending a \$362,200 construction loan to Minersville Town with a 2.99% Technical Assistance Fee per annum for 20 years, and \$80,000 in principal forgiveness.

Philip Leslie, Leslie & Associates, Robert Crow, Mayor and Kevin Carter, representing Minersville Town, were present and addressed the Drinking Water Board.

Discussion followed.

Ron Thompson moved: 1) the Drinking Water Board table Minersville Town's loan application until the Drinking Water Board has more information about their project, and 2) the Drinking Water Board approve the \$80,000 of "green credits" for the automated meters.

Petra Rust seconded.

**CARRIED
(Unanimous)**

g) Town of Tabiona - Jesse Johnson

Jesse Johnson reported the Town of Tabiona is requesting \$35,225 in financial assistance to replace existing water meters with new meters and check valves. The existing meters are old and inadequate for proper water system management. The Town of Tabiona only scored 6.4 points on the Project Priority List, but because of the water meter aspect, this project qualifies as green infrastructure as defined by the American Recovery and Reinvestment Act of 2009. The local

MAGI for the Town of Tabiona is \$32,398 or 88% of the state's MAGI. The average monthly water bill in Tabiona is \$16.39 or 0.61% of the local MAGI. Due to the small amount needed, and because the project qualifies as "green infrastructure", staff is recommending the Drinking Water Board consider 100% principal forgiveness.

The Financial Assistance Committee recommends the Drinking Water Board authorize a \$35,225 construction loan at 100% or \$35,225 in principal forgiveness to the Town of Tabiona to install new water meters and check valves in the water system. The Town of Tabiona must resolve all issues on their compliance report. The authorization is subject to the availability of funds.

Robert Casper, councilman, representing the Town of Tabiona, was present and available to answer any questions.

Discussion followed.

Petra Rust moved the Drinking Water Board approve the \$35,225 construction loan with \$35,225 (100%) principal forgiveness to the Town of Tabiona to install new water rights and check valves in the water system. Tabiona must resolve all issues on their compliance report. This authorization is subject to the availability of funds. It was noted that they have no compliance issues.

Danny Fleming seconded.

**CARRIED
(Unanimous)**

h) EMERGENCY AGENDA ITEM: Central Iron County Water Conservancy District (WCD) - Mid Valley Estates - Julie Cobleigh

Julie Cobleigh reported the Central Iron County WCD (District) is requesting \$64,778 in financial assistance from the Drinking Water Board to provide drinking water through a temporary connection to the Mid Valley Estates. Mid Valley Estates is experiencing source failure.

Rod Mills, Scott Wilson and Kelly Crane, representing the District were present and addressed the Drinking Water Board. During the discussion it was revealed that the District plans to charge Mid Valley Estates for the cost of the project over a 20-year period of time. The District said that they are willing to accept a 20-year loan for the project.

Ron Thompson moved the Drinking Water Board approve a \$65,000 construction loan to Central Iron County WCD with a hardship grant assessment at 2% for 20 years and a loan origination fee of \$650.

Discussion on motion.

Petra Rust seconded.

**CARRIED
(Unanimous)**

ITEM 6 - HYDRAULIC MODELING RULE

Ken Bousfield requested the Drinking Water Board table the Hydraulic Modeling Rule agenda item, and put it on the September 8, 2009 Drinking Water Board agenda.

Ken Bousfield reviewed the history to date on the development of the Hydraulic Modeling Rule. Ken also highlighted two specific recommendations for improvements to the Rule. Ken explained that staff would need more time to incorporate the recommended changes, and that is why staff is asking for the Rule to be presented in September.

Vice Chairman Bassett stated a motion was in order for the Drinking Water Board to table Item 6 - "Hydraulic Modeling Rule" until the September 8, 2009 Drinking Water Board.

Ron Thompson moved the Drinking Water Board table "Item 6 - Hydraulic Modeling Rule" until the September 8, 2009 Drinking Water Board meeting.

Betty Naylor seconded.

**CARRIED
(Unanimous)**

ITEM 7 - RURAL WATER ASSOCIATION OF UTAH

Dale Pierson reported on Rural Water Association's Annual Report, and handed out copies of the Annual Report to the Drinking Water Board members.

Dale Pierson updated the Drinking Water Board members on some background of the Rural Water Association.

Dale Pierson introduced 2 new Rural Water Association's Board members, and had some of his staff address the Drinking Water Board on their duties.

Discussion followed.

ITEM 8 - CHAIRMAN'S REPORT

Vice Chairman Bassett didn't have anything to report.

ITEM 9 - DIRECTORS REPORT

Ken Bousfield mentioned staff received a call yesterday from the Metropolitan Water District of Salt Lake and Sandy. The District received a voice mail message stating that during the next two weeks a bomb will be dropped on their water treatment plant. Because of the severity of this message, the FBI and the State Homeland Security are involved in the threat, as well as the Division of Drinking Water.

Ken Bousfield also reported that surrounding water utilities were put on alert.

a) EPA Mid Year Review

Ken Bousfield reported staff had a meeting on May 20, 2009 with the EPA Region VIII Drinking Water staff on the Division's mid year review.

Ken Bousfield mentioned that Cynthia Dougherty, Director of the Ground Water and Drinking Water Offices, with EPA Headquarters in Washington, D.C., sent a memo to all 10 regional offices on April 30, 2009 about the quality of information they receive from everyone. Ken Bousfield reviewed the information and reported on the Division's proposed action plan.

b) Data Management User Conference

Ken Bousfield mentioned a national Data Management Users Conference was held from May 19 - 22, 2009. The conference dealt with data systems that track compliance with drinking water systems. The conference was held in Salt Lake City, Utah. Ken reported that he gave a presentation regarding the states perspective on data management.

Ken Bousfield mentioned Patti Fauver is on a committee that is working with EPA Headquarters dealing with updating the Coliform Rule. She presented a paper on what the Rule will actually look like in its final form. Patti also gave another presentation on how the Division of Drinking Water uses the database to track the correction of deficiencies noted during sanitary surveys.

Ken Bousfield mentioned Mark Jensen presented a paper on what the Division of Drinking Water is doing in the area of source protection and how the Division is using technology to further the Divisions source protection goals.

ITEM 10 - UPDATED DRINKING WATER BOARD ROSTER

Ken Bousfield mentioned there is an updated Drinking Water Board roster in the packet.

ITEM 11 - NEXT BOARD MEETING:

Date: July 8, 2009
Start at: 12:00 (NOON)
Meet at the: DEQ Building
168 North 1950 West, Room 101
Salt Lake City, Utah 84116

ITEM 12 - OTHER

Vice Chairman Bassett mentioned that with the updated financial information and how the Drinking Water Board works with these applications. The Drinking Water Board needs to determine when, where and how the Board will address that issue in the next little while. Vice Chairman Bassett asked Ken Bousfield to give this concern some attention.

ITEM 13 - ADJOURN

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

Ron Thompson moved to adjourn the Drinking Water Board meeting at 3:45 p.m.

Petra Rust seconded.

**CARRIED
(Unanimous)**

**Linda Matulich
Recording Secretary**