



State of Utah

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Kenneth H. Bousfield, P.E.
Executive Secretary

DRINKING WATER BOARD MEETING

Tuesday, June 17, 2014 - 9:00 am

195 North 1950 West

Salt Lake City, Utah 84116

Teleconference

1-877-820-7831

Pin#: 878776#

Ken Bousfield's Cell Phone #: (801) 674-2557

1. Call to Order – Chairman Hansen
2. Roll Call – Ken Bousfield
3. Introductions – Chairman Hansen
4. Financial Assistance Committee Report

A. SRF Applications

i. FEDERAL:

- a) Wooden Shoe Water Company – Michael Grange

ii. OTHER:

- a) Big Plains Water and Sewer Special Service District Modification of Board Motion – Michael Grange

5. Next Board Meeting:

Date: July 18, 2014
Time: 1:00 pm
Place: Multi Agency State Office Building
Room 1015
195 North 1950 West
Salt Lake City, Utah 84116

6. Other
7. Adjourn

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Brooke Baker, Office of Human Resources, at: (801) 536-4412, TDD (801) 536-4424, at least five working days prior to the scheduled meeting.

195 North 1950 West • Salt Lake City, UT
Mailing Address: P.O. Box 144830 • Salt Lake City, UT 84114-4830
Telephone (801) 536-4200 • Fax (801) 536-4211 • T.D.D. (801) 536-4414

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**DRINKING WATER BOARD
BOARD PACKET FOR CONSTRUCTION LOAN
PRESENTED TO THE DRINKING WATER BOARD**

APPLICANT’S REQUEST:

Wooden Shoe Water Company is requesting an additional \$121,850 in funding due to the construction bids coming in over the estimated amount. The increase is assumed to be a result of higher construction prices since the original estimate was made. The funding was originally authorized in July of 2012 and due to issues with water rights and securing easements, the project has been delayed.

STAFF COMMENTS:

On July 13, 2012, The Drinking Water Board authorized Wooden Shoe Water Company a \$201,000 construction loan for 30 years at 1% interest.

The United States Environmental Protection Agency (EPA) has issued an Administrative Order against Wooden Shoe Water Company. They currently have 325 IPS points against their system and are rated “Not Approved.” The significant deficiencies that have been identified against the system are that they lack a storage facility, they fail to provide adequate pressure to all of their connections and their spring source has been determined to be under the direct influence of surface water. The project scope will resolve these deficiencies and comply with EPA’s Administrative Order.

Wooden Shoe Water Company is located in Peoa within Summit County. The local MAGI is \$35,933, which is approximately 97% of the State’s MAGI. They have recently raised their water rates to approximately \$54/month per ERC. The funding previously authorized requires an increase in their water bill to approximately \$53 per connection, which is 1.76% of the local MAGI. They are requesting the increase in funding to be authorized as principal forgiveness because of the fact that they have already raised their rates in anticipation of this project and their rates are already over 1.75%.

	Total Funding	Principal Forgiveness	Loan	Term	Interest Rate	Water Bill	% of Local MAGI
Current Funding	\$201,000	\$0	\$201,000	30yrs	1%	\$52.70	1.76%
Proposed Funding	\$322,850	\$121,850	\$201,000	30 yrs	1%	\$52.70	1.76%

Wooden Shoe Water Company

Page 2

June 11, 2014

STAFF RECOMMENDATION:

The Drinking Water Board authorize a \$322,850 construction loan to Wooden Shoe Water Company at 1.00% interest for 30 years with \$121,850 in principal forgiveness.



(via e-mail jcobleigh@utah.gov a hard copy will not follow unless requested)

Wednesday, June 4, 2014

State of Utah, Division of Drinking Water
Attn: Drinking Water Board
195 North 1950 West
PO Box 144830
Salt Lake City, Utah 84114-4830

**RE: Woodenshoe Water Company's (22058) update & request for additional funds
(Project No. 3F197)**

I am writing this letter as a representative of Woodenshoe Water Company (WWC) to update and request additional funds to complete Project No. 3F197.

As you are fully aware we have been working with WWC to address the issue that Wooden Shoe Spring (Source 01) was deemed UDI since 2009. Though the journey has been long, I believe that we are nearing the construction of a well and tank that will provide an acceptable source of culinary water for WWC. The longevity of the project has been due to numerous issues but mainly water rights and securing the proper easements.

Due to the drawn out process and the prolonged timeframe there has been an increase of manhours expended and prices to construct the project have increased. I will attempt to layout the costs as submitted and approved in the July 13, 2012 DWB packet along with the increases with a brief explanation of the reasons as I understand them.

Legal (ClydeSnow)

- Presented/Estimated => \$10,000
- Projected to completion => \$41,000 (increase of \$31,000)
 - To date => \$30,182.40
 - Primarily due to easement acquisition. It took well over a year in order to finally secure an executed easement, which we originally believed to be readily obtainable. The ability to secure the easement by a private right of eminent domain through WWC was considered, but determined to be questionable, legally; and, there was the issue of additional legal fees in pursuing such the litigation in any event so acquisition of the easement was persevered.
 - Estimated to complete => \$10,000

Environmental (Epic Engineering)

- Presented/Estimated => \$5,000
- Completed => \$4,400 (savings of \$600)

Engineering Design (Epic Engineering)

- Presented => \$15,000
 - Survey & Easements => \$3,500
 - Design => \$11,500
- Completed => \$23,180
 - Survey & Easements => \$6,230 (increase of \$2,730)
 - (see legal above) Easements were prepared for one owner as directed by WWC President. Additional documents had to be prepared for 50/50 ownership of the easement
 - Design => \$16,170 (increase of \$4,670)
 - Increase of manpower required to start stop and start numerous times
 - Numerous renditions of value engineering as construction markets fluctuated over span of time

Heber City, UT 435-654-6600 West Valley, UT 801-955-5605 Williston, ND 701-774-5200 Killdeer, ND 701-764-7131
Vernal, UT 435-781-2113 Mesa, AZ 480-309-6504

www.epiceng.net



Engineering – CMS (Epic Engineering)

- Presented => \$12,000
- Project to completion => \$12,600 (increase of \$600)
 - To date => 1,200
 - Additional manpower to rebid the tank as concrete once the original bids came in too high for the fiberglass tanks)
 - Estimated => \$11,400

Construction Water Source (Contractor)

- Presented/Estimated => \$60,000
- Projected to completion => 117,249 (increase of \$57,249)
 - Bid (Zimmerman)
 - Primarily the demand for drillers in California (drought) and in the oil fields have resulted in an increase in cost here in Utah

Construction Storage Tank, Transmission Tank & Pump Station (Contractor & Rocky Mountain Power)

- Presented/Estimated => 84,000
 - \$79,000 (Contractor)
 - \$5,000 (Rocky Mountain Power)
- Projected to completion => \$125,198.45
 - Bid => \$118,698.45 (MC Construction)
 - Cost of 20K gallon fiberglass tank was verified prior to preparing engineering estimate in 2012 and was substantially higher by time of bid in 2014. Proposal was requested by three original bidders to bid concrete tank
 - Estimated => \$6,500 (Rocky Mountain Power)
 - updated 2014/06/02

Contingency

- Presented/Estimated => \$15,000
- Projected to completion => \$0

Additional Items that have been required to get WWC to the point that this project could proceed that were not included in the original request for project funding => \$11,585.79.

- Funding Application/Process
 - \$2,894
- Project Administration
 - \$5,850 (minimum of 50 hours spent on making sure the project was to happen outside the design of the project)
- Conservation Plan
 - \$2,280
- Publication Notices Fee w/ Local Media
 - \$562

The total for the project are as follows:

- Presented/Estimated => \$201,000
- Projected to completion => \$322,847.45 (increase of \$121,847.45)

Whereas Woodenshoe Water Company raised rates to meet the requirements of the project to meet the estimated costs but the costs to complete the project are 1/3 again the amount presented/estimated, I would like to request that Woodenshoe Water Company receive additional financial assistance.

Please contact me with any questions, comments, concerns or granting of the request either by e-mail @ jsantos@epiceng.net or by phone @ 801-420-4515.

Respectfully,



Joseph N. Santos, SE
Epic Engineering, PC

**DRINKING WATER BOARD
BOARD PACKET FOR
MODIFICATION OF PREVIOUS BOARD MOTION**

STAFF COMMENTS:

At the May 9, 2014 Drinking Water Board meeting the Board authorized an \$83,000 planning advance to the Big Plains Water & Sewer Special Service District. The Board motion authorizing this funding included \$41,500 in loan at 0% interest for 5 years and \$41,500 in principal forgiveness.

By statute all bonds accepted by the Drinking Water Board must be valued in even \$1,000 increments; therefore the \$41,500 loan to Big Plains as authorized by the Board is invalid.

Staff recommended to the Financial Assistance Committee at the June 11, 2014 teleconference meeting that the motion be brought before the Drinking Water Board for correction at the next available meeting. The FAC recommended that this action be considered during the emergency Board meeting to be held for the Wooden Shoe Water Company additional funding request.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION:

The Financial Assistance Committee recommends the Drinking Water Board modify the May 9, 2014 authorization for funding to the Big Plains Water & Sewer SSD from an \$83,000 loan at 0% interest for 5 years with \$41,500 in principal forgiveness to an **\$83,000 loan at 0% interest for 5 years with \$42,000 in principal forgiveness**