State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of
Environmental Quality

Tim Davis
Executive Director

DIVISION OF WATER QUALITY
John K. Mackey, P.E.
Director

Utah Water Quality Board Meeting
MASOB Board Room & Via Zoom
195 North 1950 West
Salt Lake City, Ut 84116

June 25, 2025
Board Meeting Begins at 8:30 AM

AGENDA

Water Quality Board Meeting – Call to Order & Roll Call — **James Webb**

Minutes:

Approval of Minutes for May 28, 2025 Water Quality Board Meeting — **James Webb**

Executive Secretary Report — **John Mackey**

Open & Public Meetings Act Training — **Haley Sousa & Liz Harris**

Wastewater Certification Program:

1. Presentation of awards for retiring Wastewater Operator Certification Council Members — **Tessa Scheuer**

Funding:

1. Financial Status Report — **Adriana Hernandez**
2. Ash Creek Special Service District Emerging Contaminant Grant Program Authorization — **Skyler Davies & Ken Hoffman**
3. Spring City Design Advance Forgiveness Authorization — **Beth Wondimu & Ken Hoffman**

Rule Making:

1. Recommendation to Adopt Amendments to R317-2, Standards of Quality for Water of the State — **Jake Vander Lann**
   Appendix 1. Public Engagement & Responsiveness
   Appendix 2. 2001 MeHg Criterion Implementation
   Appendix 3. 2019 Cyanotoxin Criteria Implementation

Other:

Public Comment Period

1. Timpanogos Special Service District **Richard Mickelson**

Meeting Adjournment **James Webb**

Next Meeting
August 27, 2025 at 8:30 am
MASOB & Via Zoom
195 North 1950 West
Salt Lake City, Ut 84116

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MINUTES

UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
UTAH WATER QUALITY BOARD
MASOB OR VIA Zoom

May 28, 2025
8:30 AM

UTAH WATER QUALITY BOARD MEMBERS PRESENT

Jim Webb
Jill Jones
Trevor Heaton
Joe Havasi
Michelle Kaufusi
Michela Harris
Jeannie Simmonds

DIVISION OF WATER QUALITY STAFF MEMBERS PRESENT

John Mackey	Alex Heppner	Christine Osborne
Judy Etherington	Cambria Linville	Allie Rockhill
James Harris	Skyler Davies	Adriana Hernandez
Leanna Littler-Woolf	Dan Griffin	Amy Dickey
Clanci Hawks	Benj Morris	Austin Miller
Eric Castrejon	Lindsay Cowles	Alan Ochoa Rodriguez
Jennifer Robinson	George Meados	Mark Stanger
Jeff Studenka	Sam Taylor	Porter Henze
Sandy Wingert	Christa Hutchison	Susan Woeppel
Ken Hoffman	Jordan Bryant	Lonnie Shull
Samantha Heusser	Paul Burnett	Jordan Bentley
Tessa Scheuer	Harry Campbell	Lucy Parham
Ben Holcomb	Jake Vanderlaan	
Katie Garth	Danielle Lenz	
John Schwarz	Dave Pierson	

OTHERS PRESENT & ONLINE

Ashley Sumner	Matt Cooper
Bob Redweik	Soren Simonsen
Melissa Reynolds	

Mr. Webb, Chair, called the Meeting to order at 8:30 AM.

ROLL CALL

Mr. Webb took roll call for the members of the Board.

APPROVAL OF MINUTES OF March 26, 2025 Meeting

Motion: Jill Jones motioned to approve the meeting minutes.
Joe Havasi seconded the motion.
The motion passed unanimously.

EXECUTIVE SECRETARY REPORT

Mr. Mackey addressed the Board with the following updates:

- Mr. Mackey introduced Jeannie Simmonds as a new Board member. She addressed the Board with a brief introduction of herself.
- The EPA is intending to undertake rulemaking to update the definition of Waters of the US. He noted that there will be a listening session held in the MASOB Board Room at 2:00 PM on Thursday May 29, 2025.
- The Division of Water Quality (DWQ) is working to address the San Francisco versus EPA case, which has to do with the "no effect" provisions that were in some permits. DWQ has received a request from a permittee to review and to possibly remove the narrative standard from our permits.
- Mr. Mackey reported on his recent trip with a Utah delegation to San Diego to tour a number of treatment plants. The tour which included the Carlsbad Desalination Plant and wastewater reuse plants.
- The American Society of Civil Engineers (ASCE) is rolling out their Infrastructure Report Card, which grades states for their infrastructure. A preview is scheduled today at the Capitol for agencies and officials.
- The Jordan River Commission is hosting a "Lake to Lake Paddle Series", which is a series of guided paddles on the Jordan River. The first event is scheduled for June 13, 2025. Mayor Kaufusi noted several upcoming events around Utah Lake during the "Lake to Lake Paddle Series." More information maybe found at Jordan River Lake to Lake Friday Paddle Series

- Mr. Mackey introduced DWQ's new Administrative Services Manager, Christa Hutchison.

TRAINING:

Board Functions & Duties: Ms. Sousa & Ms. Harris with the Attorney Generals Office presented a slide show training on the duties & functions of the Water Quality Board.

WASTEWATER CERTIFICATION PROGRAM:

Presentation of the Utah Wastewater Operator Certification Program 2024 Annual Report: Johnathan Gubler presented the 2024 Annual Report.

COMPLIACNE & ENFORCEMENT:

Request for Approval of Settlement Docket No. I21-16 Citation Oil & Gas Corp.
Ms. Heusser requested the Board approve the penalty for Citation Oil & Gas Corp in the amount of $287,500.

Motion: Mr. Heaton motioned to approve the Administrative Settlement Docket No. I21-16 for Citation Oil & Gas Corp as described in the packet.
Mr. Havasi seconded the motion.
The motion passed unanimously.

RULE MAKING:

Request to Adopt the New Rule: R317-17 Great Salt Lake Mineral Extraction Salinity Discharge Limits: Mr. Harris addressed the Board and requested formal approval to adopt the new rule.

Motion: Ms. Jones moved to adopt the new rule R317-17.
Ms. Kaufusi seconded the motion.
The motion passed unanimously.

Request to Initiate Rulemaking to Adopt Total Maximum Daily Load (TMDL) by Reference into R317-17 Castle, Mill & Pack Creek ***(E. coli TMDLs):*** Mr. Taylor addressed the Board and requested approval to initiate rulemaking.

Motion: Ms. Harris motioned to initiate rulemaking.
Ms. Jones seconded the motion.
The motion passed unanimously.

OTHER:

State Nonpoint Source Program Annual Report for Fiscal Year 2025 & Fiscal Year 2026 Project Selection: Mr. Burnett presented the 2025 Annual Report and 2026 project selection information to the Board as indicated in the packet.

PUBLIC COMMENTS

MEETING ADJOURNMENT

Motion: Ms. Jones motioned to adjourn the meeting.
Mr. Havasi seconded the motion.
The motion passed unanimously.

To view the full recording click May 28, 2025 Meeting Recording

Next Meeting
June 25, 2025
MASOB & Via Zoom
195 North 1950 West
Salt Lake City, UT 84116

Via Zoom

James Webb, Chair
Utah Water Quality Board

HARDSHIP GRANT FUNDS FINANCIAL STATUS REPORT JUNE 2025

HARDSHIP GRANT FUNDS (HGF)	State Fiscal Year 2025	State Fiscal Year 2026	State Fiscal Year 2027	State Fiscal Year 2028
Funds Available				
Beginning Balance	$ -	$ 6,118,223	$ 6,052,231	$ 5,936,356
Federal HGF Beginning Balance (5250)	$ 1,715,715	$ -	$ -	$ -
State HGF Beginning Balance (5265)	$ 9,932,153	$ -	$ -	$ -
Hardship Grant Assessments (5255)	$ -	$ 657,624	$ 624,522	$ 590,676
Interest Payments - (5260)	$ -	$ 276,384	$ 259,603	$ 248,253
Advance Repayments	$ -	$ -	$ -	$ -
Total Funds Available	$ 11,647,868	$ 7,052,231	$ 6,936,356	$ 6,775,285
St George Appropriation				
Beginning Balance	$ 13,066,000			
Authorizations				
St. George Graveyard Wash Res	$ (13,066,000)			
Total Funds Available	$ -	$ -	$ -	$ -
Financial Assistance Project Obligations				
Corinne - Planning Advance	$ (20,716)	$ -	$ -	$ -
Daggett County Dutch John - Planning	$ (46,215)	$ -	$ -	$ -
Daggett County Dutch John - STL	$ (60,000)	$ -	$ -	$ -
Eagle Mountain City - Construction Grant	$ (510,000)	$ -	$ -	$ -
Fairfield Town - Planning Grant	$ (33,290)	$ -	$ -	$ -
Grantsville - Design Advance	$ (300,000)	$ -	$ -	$ -
Hinckley Town - Design Advance	$ (226,950)	$ -	$ -	$ -
Kanab City Planning Advance	$ (29,800)	$ -	$ -	$ -
Kane County - Hardship Grant	$ (223,465)	$ -	$ -	$ -
Millville City - Construction Grant	$ (1,000,000)	$ -	$ -	$ -
Rockville Town - Hardship Grant	$ (18,832)	$ -	$ -	$ -
Non-Point Source/Hardship Grant Obligations				
OSG Cost Share Balances (FY20-21)	$ (1,750)			
McKees ARDL interest-rate buy down	$ (55,261)	$ -	$ -	$ -
Munk Dairy ARDL interest-rate buy down	$ (16,017)	$ -	$ -	$ -
(FY17) DEQ - Utah Lake Water Quality Study	$ (348,301)	$ -	$ -	$ -
FY 2019 - Remaining Payments	$ (45,470)	$ -	$ -	$ -
FY 2020 - Remaining Payments	$ (31,223)	$ -	$ -	$ -
FY 2021 - Remaining Payments	$ (37,226)	$ -	$ -	$ -
FY 2022 - Remaining Payments	$ (254,501)	$ -	$ -	$ -
FY 2023 - Remaining Payments	$ (240,051)	$ -	$ -	$ -

*WQB Agenda Items

FY 2024 - Remaining Payments	$ (530,361)	$ -	$ -	$ -
FY 2025 - Remaining Payments	$ (797,616)	$ -	$ -	$ -
Future NPS Annual Allocations		$ (1,000,000)	$ (1,000,000)	$ (1,000,000)
Authorizations				
Ash Creek SSD Virgin - Design Grant	$ (230,400)			
Elwood - Planning	$ (18,200)	$ -	$ -	$ -
Hyrum - Short Term Loan	$ (74,900)	$ -	$ -	$ -
Long Valley - Design	$ (84,300)	$ -	$ -	$ -
Mt. Pleasant - Hardship Grant	$ (135,000)	$ -	$ -	$ -
Richmond - Short Term Loan	$ (99,800)	$ -	$ -	$ -
Virgin Town - Short Term Loan	$ (60,000)	$ -	$ -	$ -
Planned Projects		$ -	$ -	$ -
Total Obligations	$ (5,529,645)	$ (1,000,000)	$ (1,000,000)	$ (1,000,000)
HGF Unobligated Funds	$ 6,118,223	$ 6,052,231	$ 5,936,356	$ 5,775,285

*WQB Agenda Items

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WATER QUALITY BOARD
FEASIBILITY REPORT FOR EMERGING CONTAMINANT GRANT PROGRAM
AUTHORIZATION

APPLICANT:	Ash Creek Special Services District 1350 Sand Hollow Road Hurricane, UT 84737 Phone: 435- 635-2348
PRESIDING OFFICIAL:	Mike Chandler, General Manager Email: mike@ashcreekssd.com Phone: 435- 635-2348 Ext. 102
TREASURER/RECORDER:	Greg Kleinman, Treasurer
CONSULTING ENGINEER:	Steve Jackson, P.E.
BOND COUNSEL:	Randall Larsen

EMERGING CONTAMINANT FUNDING PROGRAM

The Emerging Contaminant Grant Program is a competitive program to fund eligible projects in the state to address identified Emerging Contaminants (EC). These are defined as substances and microorganisms, including manufactured or naturally occurring physical, chemical, biological, radiological, or nuclear materials that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment. An example of an EC is Per- and Polyfluoroalkyl Substances (PFAS). At this time the Water Quality Board (Board) has three fiscal years of funding available totaling $2,645,320. The Environmental Protection Agency (EPA) region 8 is strongly encouraging staff to obligate and utilize this funding as soon as possible. These funds are available as principal forgiveness and do not require hardship qualification.

Staff conducted a grant solicitation from January 27, 2025 to May 2, 2025. Applications were accepted through a Division of Water Quality (Division) website: https://deq.utah.gov/financial-assistance/emerging-contaminants-funding-program. Only one application was received from Ash Creek Special Service District.

APPLICANT'S REQUEST

Ash Creek Special Services District (ACSSD) is requesting $2,645,320 from the Emerging Contaminants Funding Program from the Board as additional funding for the construction of a regional sewer lift station and pressure sewer force main to connect the Town of Virgin to the ACSSD collection system in La Verkin, UT.

APPLICANT'S LOCATION

The project is primarily located between the Towns of Virgin and La Verkin, Northeast of St. George in Washington County.

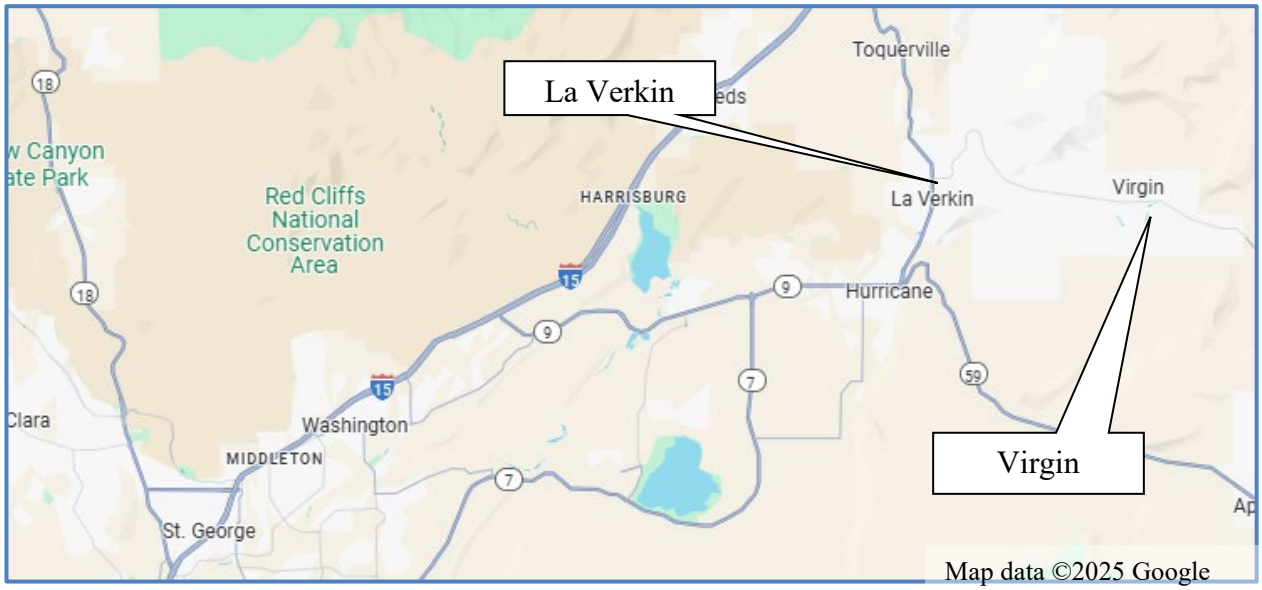

Figure of trunk line alignment

BACKGROUND

On April 23, 2024, the Board Authorized an $6,876,000 for a 30-year 0% loan to Ash Creek Special Service District (ACSSD) for the construction of a regional sewer lift station and pressure sewer force main to connect the Town of Virgin to the ACSSD collection system in La Verkin, Utah. On March 26, 2025, the Board Authorized a Design Grant of $230,400 for the same project.

The Town of Virgin does not currently have a sanitary sewer collection system. Existing residential dwellings rely on private septic systems for sewage disposal, including several Large Underground Wastewater Disposal Systems (LUWDS). Since the town is located close to the Virgin River, there is concern about the potential for degradation of surface water quality in the area due to the increased number of onsite systems, including other developments planned in the area.

In 2022, a study was completed by Sunrise Engineering, commissioned by the State of Utah (2022 Update Virgin Town Wastewater Study), which outlined several options for wastewater treatment in the region. These alternatives included a proposed sewer system connecting to the regional treatment facility in La Verkin. In February 2024, the Town of Virgin voted to annex into ACSSD.

The Town of Virgin is the 19th largest community in the State without a sanitary sewer system. The community is under significant growth and development pressures. The Division has encouraged the construction of a sanitary sewer system trunk line to service the Town of Virgin for several years. Most of the recent pursuits have required consideration of extensive grant dollars, and most recently, the Division attempted to access American Rescue Plan Act (ARPA) funds to construct this trunk line.

In late 2023, Division staff were approached about a commercial development proposing to construct a trunk line to connect a commercial facility to ACSSD. Division Staff determined it was a great opportunity to construct a trunk line large enough to service both the commercial development and the Town of Virgin.

PROJECT NEED

This project will provide funding for a regional sewer lift station for the Town of Virgin and will mitigate current and future wastewater flows by conveying the flows to the ACSSD lagoons and/or new confluence park treatment plants. The following facilities are anticipated to be connected: White Bison Resort (168 RV Pads and 47 Glamping Sites); Zions Sunset Convenience Store and Restaurant; Kerlin Mobile Home Park; K&K Properties Residential project; and Smith Residential Project.

Once the future gravity sewer line is constructed through the Town of Virgin to the proposed Regional Sewer Lift Station, the majority of the town's Commercial Projects will be taken off their LUWDS and conventional septic systems. The projects that will be taken off their LUWDs and conventional septic systems include Zion River RV Park; Furber Resort; Zion Wildflower Resort; Auto Camp Resort; and the Fairfield Inn and Suites, eliminating an approximate 109,000 gallons per day (GPD) of sewage treatment by LUWDS and septic systems overall.

FUNDING ELIGIBLITY

EPA has requirements to receive EC Funding that an EC must be identified. Staff is working with Ash Creek and EPA to fully determine that sufficient testing has been conducted to qualify the project for eligibility. In 2021 and 2022 the Division of Drinking Water tested the Quail Lake intake from the Virgin River and detected PFAS in the Virgin River. The two detects were not quantifiable but did confirm the presence of PFAS. One source of PFAS in this location is likely onsite wastewater treatment on the shores of the Virgin River.

Water System Name	WASHINGTON COUNTY WCD - QUAIL LAKE		
System Number	27094		
Sample Date	6/25/2021	5/10/2022	10/26/2022
Sample Name	WS001-WCWCD DIVERSION		
4:2 FTS	<0.19 ppt	<0.21 ppt	<0.22 ppt
6:2 FTS	<2 ppt	<2.1 ppt	<2.3 ppt
8:2 FTS	<0.37 ppt	<0.4 ppt	<0.42 ppt
ADONA	<0.32 ppt	<0.34 ppt	<0.37 ppt
F53B-Major	<0.19 ppt	<0.21 ppt	<0.22 ppt
F53B-Minor	<0.26 ppt	<0.27 ppt	<0.29 ppt
HFPO-DA	<1.2 ppt	<1.3 ppt	<1.4 ppt
NFDHA	<0.5 ppt	<0.53 ppt	<0.57 ppt
PFBA	<1.9 ppt	<2.1 ppt	<2.2 ppt
PFBS	<0.16 ppt	<0.17 ppt	<0.18 ppt
PFDA	<0.25 ppt	**0.28 J ppt**	<0.29 ppt
PFDoA	<0.44 ppt	<0.47 ppt	<0.51 ppt
PFEESA	<0.23 ppt	<0.25 ppt	<0.27 ppt
PFHpA	<0.2 ppt	<0.21 ppt	<0.23 ppt
PFHpS	<0.15 ppt	<0.16 ppt	<0.17 ppt
PFHxA	**0.5 J ppt**	<0.5 ppt	<0.53 ppt
PFHxS	<0.46 ppt	<0.49 ppt	<0.52 ppt
PFMBA	<0.21 ppt	<0.22 ppt	<0.24 ppt
PFMPA	<0.22 ppt	<0.24 ppt	<0.26 ppt
PFNA	<0.22 ppt	<0.23 ppt	<0.25 ppt
PFOA	<0.68 ppt	<0.73 ppt	<0.78 ppt
PFOS	<0.43 ppt	<0.46 ppt	<0.5 ppt
PFPeA	<0.39 ppt	<0.42 ppt	<0.45 ppt
PFPeS	<0.24 ppt	<0.26 ppt	<0.28 ppt
PFUnA	<0.88 ppt	<0.95 ppt	<1 ppt
Comment	J = Chemical was detected above the method detection limit but below the method reporting limit. The concentration should be considered an estimate.		
Note	Non-detect results are reported as less than '<' the method detection limit.		

ALTERNATIVES EVALUATED

An alternatives analysis was included in the 2022 Town of Virgin Wastewater Study. The analysis included alternative onsite treatment, construction of a new lagoon facility, and a sewer line connection to ACSSD. ACSSD concluded that a pressurized force main would be the best option for providing for current and future needs in the Town of Virgin.

PROJECT DESCRIPTION

The requested funding will fund a design advance for the project, the project will be divided into two initial phases (Phase lA and lB). Phase IA will include the construction of a regional sewer lift station in the Town of Virgin and an 8-inch pressurized force main providing a connection between the Lift Station and the regional sewer treatment facility in La Verkin. This will also provide connections to a limited number of approved and existing projects, as outlined in the "Project Needs" section. Phase lB will include connections for several other existing communities, and provide the backbone for future connections in the Town of Virgin.

POPULATION GROWTH

Based on 2020 and 2010 census data, the annual growth rate in the Town of Virgin is 1.18%, which is lower than the state average. However, looking at only data from the past 5 years, as was recommended by the 2022 Wastewater Study, the annual population growth rate is much higher (3.32%).

PUBLIC PARTICIPATION AND DEMONSTRATION OF PUBLIC SUPPORT

In February 2024, the Town of Virgin approved annexation into ACSSD. One of the primary goals of this project is to create a public/private partnership with the existing and anticipated communities that are or would be connected to onsite systems without this project. ACSSD anticipates this project to include $767,000 in private contributions for the main project, but those funds are not anticipated to be available until after loan closing.

IMPLEMENTATION SCHEDULE

Construction is expected to begin this year as soon as funding is approved. Construction is expected to be completed by the end of 2025.

APPLICANTS' CURRENT USER CHARGE

The current user charges for ACSSD is $36.75 per month per residential connection and $18.90 per month per RV pad connection.

COST ESTIMATE

The total estimated cost of the project is **$7,791,400.** This includes 15% Engineering Design & Construction Management Services (CMS) and a 50% contingency with the cost estimate. A breakdown of the cost by project is included below.

Construction Phase 1A	$3,100,000
Construction Phase lB	$1,867,000
50% Contingency (IA+lB)	$2,484,000
Engineering Design & CMS	$230,400
DWQ Loan Origination Fee	$70,000
Legal/Bonding	$40,000
Total Cost	**$7,791,400**

COST SHARING

This funding will be used for the same project as the previously authorized project. This funding may be used to reduce the amount the loan that will be closed on, or to extend the project to connect additional users if feasible. This is being done as it is important to EPA that the 2022 and 2023 fiscal years of Emerging Contaminant funds be utilized as expeditiously as possible, or we may risk losing access to these funds.

ESTIMATED ANNUAL COST FOR SEWER SERVICE

Staff developed static cost models (Attachment 1) to evaluate funding by the Board. The cost model analyzes several possible funding options. The resulting Total Annual Sewer Cost is shown for each funding option. The proposed project indicates that debt service is being paid by 297 Equivalent Residential Connections (ERC). Based on the previously approved 0% interest loan with a 30-year term would be approximately $80/month for debt service and Reserve. Adding in operation and maintenance of the collection system and a treatment fee from ACSSD, the monthly rate per ERC would be approximately $150.53.

FINANCIAL BURDEN EVALUATION

This funding can only be used as principal forgiveness, and is not tied to financial hardship. Therefore, it is not necessary to complete a financial burden evaluation. However, based on previous analysis it is worth noting that they already fall into the category of high burden based on previously authorized funding. Also, as they are the only applicant for Emerging Contaminant funding it is not necessary as a comparison tool between projects.

The Ash Creek SSD Virgin Design Advance Authorization Memo from the March 26, 2025 Board Packet is attached below.

STAFF COMMENTS

Division Staff is very supportive of this project. The Town of Virgin is one of the larger unsewered areas in the State of Utah, and a public/private partnership leading to the construction of a sewer collection system and connection to a nearby treatment facility. This project would solve many environmental concerns about onsite systems in the area, including preventing emerging contaminants from entering ground water and the Virgin River by conveying the wastewater to a treatment facility. The Town of Virgin, ACSSD, and private entities in the region have all shown support for the project.

STAFF RECOMMENDATIONS

Division Staff recommends that the **Board authorize funding in the amount of $2,645,320 as a principal forgiveness with the following special conditions**:

1. This funding is contingent upon EPA review and approval of the project's eligibility for use of emerging contaminant funding.
2. Due to the need for this funding to be expended. The Board will allow these funds to be utilized before loan funds.
3. ACSSD must agree to comply with the provisions of Utah Admin. Code R317-101-3, including but not limited to:
    a. Participation annually in the Municipal Wastewater Planning Program (MWPP);
    b. Develop, commit to adopt, and implement a capital assessment management plan; and
    c. Submission of the sewer use ordinance or resolution and user charge system to the division for review and approval to ensure adequate provisions for debt retirement, operation, and maintenance, or both.

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Interim Executive Director

DIVISION OF WATER QUALITY
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WATER QUALITY BOARD
FEASIBILITY REPORT FOR HARDSHIP GRANT
AUTHORIZATION

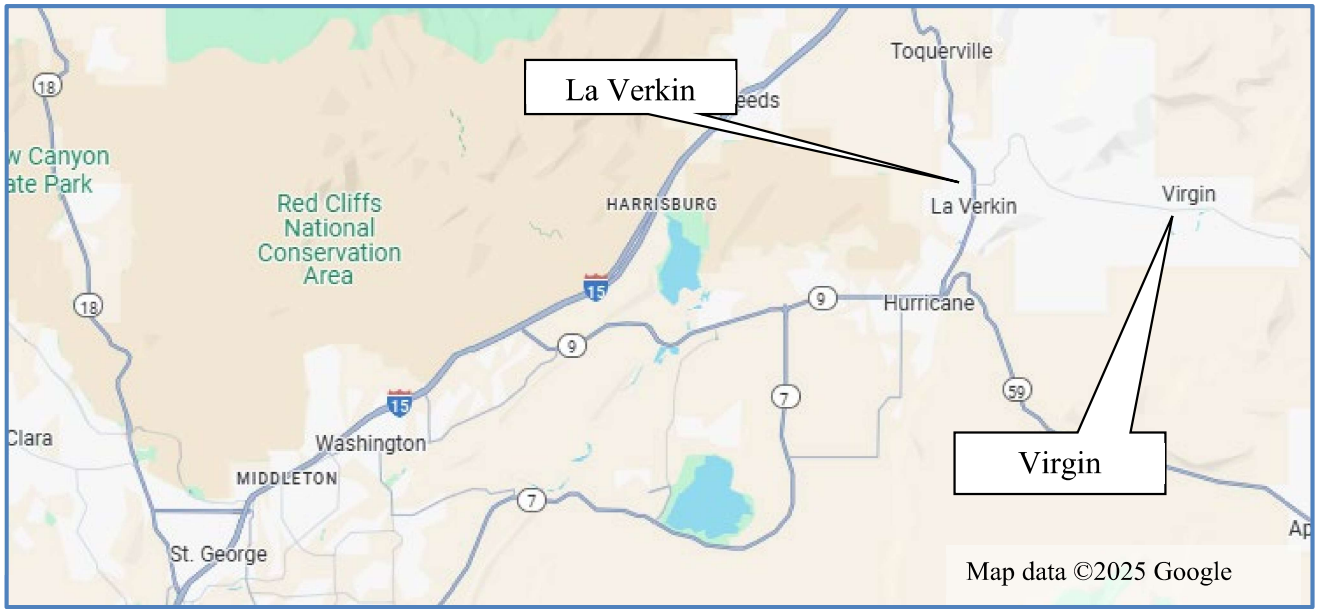
APPLICANT:	Ash Creek Special Services District 1350 Sand Hollow Road Hurricane, UT 84737 Phone: 435- 635-2348
PRESIDING OFFICIAL:	Mike Chandler, General Manager Email: mike@ashcreekssd.com Phone: 435- 635-2348 Ext. 102
TREASURER/RECORDER:	Greg Kleinman, Treasurer Email: greg@ashcreekssd.utah.gov Phone: 435- 635-2348 Ext. 100
CONSULTING ENGINEER:	Steve Jackson, P.E. Jackson Engineering
BOND COUNSEL:	Randall Larsen Gilmore & Bell PC
FINANCIAL ADVISOR:	Mark Anderson, Vice President Zion's Public Finance

APPLICANT'S REQUEST

Ash Creek Special Services District (ACSSD) is requesting funding from the Water Quality Board (Board) in the amount **$230,400** for the design of a regional sewer lift station and pressure sewer force main to connect the Town of Virgin to the ACSSD collection system in La Verkin, UT.

APPLICANT'S LOCATION

The project is primarily located between the Towns of Virgin and La Verkin, Northeast of St. George in Washington County.



BACKGROUND

On April 23, 2024, the Board authorized a **$6,876,00**, 30-year 0% loan to ACSSD for the construction of a regional sewer lift station and pressure sewer force main to connect the Town of Virgin to the ACSSD collection system in La Verkin, Utah.

The Town of Virgin does not currently have a sanitary sewer collection system. Existing residential dwellings rely on private septic systems for sewage disposal, including several Large Underground Wastewater Disposal Systems (LUWDS).

Since the town is located close to the Virgin River, there is concern about potential for degradation of surface water quality in the area due to the increased number of onsite systems, including other developments planned in the area.

In 2022, a study was completed by Sunrise Engineering, commissioned by the State of Utah (2022 Update Virgin Town Wastewater Study), which outlined several options for wastewater treatment in the region. These alternatives included a proposed sewer system connecting to the regional treatment facility in La Verkin. In February 2024, Town of Virgin voted to annex into ACSSD.

The Town of Virgin is the 19th largest community in the State without a sanitary sewer system. The community is under significant growth and development pressures. The Division of Water Quality (Division) has encouraged construction of a sanitary sewer system trunk line to service the Town of Virgin for several years. Most of the recent pursuits have required consideration of extensive grant dollars and most recently the Division attempted to access American Rescue Plan Act (ARPA) funds to construct this trunk line.

In late 2023, Division staff were approached about a commercial development proposing to construct a trunk line to connect a commercial facility to ACSSD. Division staff determined it was a great opportunity to construct a trunk line large enough to service both the commercial development and the Town of Virgin.

Since the April 2024 Board meeting the project has continued to progress and ACSSD has taken the lead on the project. Best efforts are being made however, challenging engineering efforts have arisen specifically relating to getting Bureau of Land Management right of way approvals. In addition, while Virgin Town has been added to ACSSD service area at this time Town or Virgin has no rate payers so it is challenging for ACSSD to dedicate sewer user fees to be spent on Town of Virgin. For these reasons ACSSD is returning to the Board to request a design advance.

PROJECT NEED

The design funding for a regional sewer lift station for the Town of Virgin will mitigate current and future wastewater flows by conveying the flows to the ACSSD lagoons and/or new confluence park treatment plants. The following facilities are anticipated to be connected: White Bison Resort (168 RV Pads, and 47 Glamping Sites); Zions Sunset Convenience Store and Restaurant; Kerlin Mobile Home Park; K&K Properties Residential project; and Smith Residential Project.

Once the future gravity sewer line is constructed through the Town of Virgin to the proposed Regional Sewer Lift Station, the majority of the towns Commercial Projects will be taken off the their LUWDS and conventional septic systems. These include: Zion River RV Park; Furber Resort; Zion Wildflower Resort; Auto Camp Resort; and the Fairfield inn and Suites; eliminating an approximate 109,000 GPD of sewage treatment by LUWDS and septic systems overall.

ALTERNATIVES EVALUATED

An alternatives analysis was included in the 2022 Town of Virgin Wastewater Study. The analysis included alternative onsite treatment, construction of a new lagoon facility, and a sewer line connection to ACSSD. ACSSD concluded that a pressurized force main would be the best option for providing for current and future needs in the Town of Virgin

PROJECT DESCRIPTION

The application will fund a design advance for the project, the project will be divided into two initial phases (Phase lA and lB). Phase IA will include the construction of a regional sewer lift station in the Town of Virgin and an 8-inch pressurized force main providing a connection between the Lift Station and the regional sewer treatment facility in La Verkin. This will also provide connections to a limited number of approved and existing projects, as outlined in the "Project Needs" section. Phase lB will include connections for several other existing communities, and provide the backbone for future connections in the Town of Virgin.

POPULATION GROWTH

Based on 2020 and 2010 census data, the annual growth rate in the Town of Virgin is 1.18%, which is lower than the state average. However, looking at only data from the past 5 years, as was recommended by the 2022 Wastewater Study, the annual population growth rate is much higher (3.32%).

PUBLIC PARTICIPATION AND DEMONSTRATION OF PUBLIC SUPPORT

In February 2024, the Town of Virgin approved annexation into ACSSD. One of the primary goals of this project is to create a public/private partnership with the existing and anticipated communities that are or would be connected to onsite systems without this project. ACSSD anticipates this project to include $767,000 in private contributions for the main project, but those funds are not anticipated to be available until after loan closing.

IMPLEMENTATION SCHEDULE

Construction is expected to begin this year as soon as funding is approved. Construction is expected to be completed by the end of 2025.

APPLICANTS CURRENT USER CHARGE

The current user charges for ACSSD is $36.75 per month per residential connection and $18.90 per month per RV pad connection.

COST ESTIMATE

Project Costs		
Pre-Construction Engineering	$	188,800
During Construction Services	$	41,600
Total Project Cost:	**$**	**230,400**

COST SHARING

Funding Source	Total	% of Project
Local Contribution	$ 0	0%
Board Request	$ 230,400	100%
Total Amount	**$ 230,400**	**100.0%**

ESTIMATED ANNUAL COST FOR SEWER SERVICE

Staff developed static cost models (Attachment 1) to evaluate funding by the Board. The cost model analyzes several possible funding options. The resulting Total Annual Sewer Cost is shown for each funding option. The proposed project indicates debt service being paid by 297 Equivalent Residential Connections (ERC). Based on the previously approved 0% interest loan with a 30-year term would be approximately $80/month for debt service and Reserve. Adding in operation and maintenance of the collection system and a treatment fee from ACSSD, the monthly rate per ERC would be approximately $150.53.

FINANCIAL BURDEN EVALUATION

In accordance with the Board's Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, staff utilized data from the United State Census Bureau (census) website (https://data.census.gov/cedsci/) to calculate the City's Financial Need Indicator (FNI). The calculated FNI is 2.15. Staff compared this FNI to the percent modified MAGI in the Financial Burden Matrix and displayed the Financial Burden in Attachment 1. Based on the Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, the community has a Financial Burden of High.

As can be seen in the attachment an interest rate of 0% would result in a rate over 3.0% of MAGI. Therefore, the project may not be affordable as a loan.

STAFF COMMENTS

Division Staff is very supportive of this project. The Town of Virgin is one of the larger unsewered areas in the State of Utah, and a public/ private partnership leading to the construction of a sewer collection system and connection to a nearby treatment facility would solve many environmental concerns about onsite systems in the area. The Town of Virgin, ACSSD, and private entities in the region have all shown support for the project. Staff feels it is very important to continue supporting this project. Currently, the loan portion of the project is funded from the CWSRF and paying for engineering services may be challenging to meet federal procurement requirements. For this reason, staff is supportive of a grant authorization for the project.

STAFF RECOMMENDATIONS

Staff recommends the Board authorize funding in the amount of **$230,400** as a hardship grant under the following special conditions:

ACSSD must agree comply with the provisions of Utah Admin. Code R317-101-3 including but not limited:

1. Participation annually in the Municipal Wastewater Planning Program (MWPP);
2. Develop, commit to adopt, and implement a capital assessment management plan; and
3. Submission of the sewer use ordinance or resolution and user charge system to the Division for review and approval to insure adequate provisions for debt retirement, operation and maintenance, or both.

DWQ-2025-002105
File: Ash Creek Special Service District, Municipal File

Ash Creek Special Service District
March 26, 2025
Attachment 1

Ash Creek Special Service District (Town of Virgin)
30 Year Static Cost Model
(Attachment 1)

Project Costs	Sewer
Pre-Construction Engineering	$ 188,800
During Construction Services	$ 41,600
Total Design Advance Cost:	**$ 230,400**

Project Funding	
Local Contribution	$ -
CIB Funding Requsted	$ 230,400
Total Project Cost:	**$ 230,400**

Anticipate Customer Base & User Charges

	ERC
*Estimated Total Customers (ERC)	297
*From 2022 Study	
MAGI Virgin Town (2022):	$ 59,000
1.4% MAGI Sewer Bill:	**$ 68.83**
*Current Sewer Bill	$ 35.00
EXISTING DEBT	$ -
O&M Expenses	$ 250,000

* This is for Residential For Non-Residential it is $42 not including usage charge

As Authorized Funding Conditions 2023

Existing Loan +Reserve annual pmt	$ 286,491
Funding Conditions	
Loan Repayment Term:	30

ESTIMATED COST OF SEWER SERVICE

Grant Amount	Loan Amount	Interest Rate	Loan Debt Service	Annual Sewer O&M Cost	Existing Debt Service	Total Annual Sewer Cost	Monthly Sewer Cost/ERU	Sewer Cost as a % of MAGI	Financial Burden
$ 230,400	$ -	0.00%	$0	$ 250,000	$ 286,491	$ 536,491	150.53	3.06%	High
$ -	$ 230,400	0.00%	$7,680	$ 250,000	$ 286,491	$ 544,171	152.69	3.11%	High

Virgin Town Financial Need Indicator					
Indicators	Local Value	StateValue	Score	Weighting Factor	Weighted Score
unemployment rate	4.20%	3.00%	2.60	4.00	10.40
Poverty Rate	22.80%	14.00%	2.76	2.50	6.90
Threshold LQI	$37,731	$40,735	1.29	2.50	3.23
Population Growth Rate	71.1%	21.5%	1.00	1.00	1.00
				Financial Need Indicator (Sum of weighted Scores/10)	2.15

Table 3 Financial Burden Matrix					
	Modified MAGI				
FNI	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	Low	Medium	Medium	High
1.5 to 2.5	Low	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High

State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of
Environmental Quality

Kimberly D. Shelley
Executive Director

DIVISION OF WATER QUALITY
John K. Mackey, P.E.
Director

WATER QUALITY BOARD
FEASIBILTY REPORT FOR WASTEWATER TREATMENT PROJECT
AUTHORIZATION

APPLICANT:	Ash Creek Special Services District 1350 Sandhollow Road Hurricane, UT 84737 Telephone: 435-635-2348
PRESIDING OFFICIAL:	Mike Chandler, General Manager Email: mike@ashcreekssd.com
TREASURER/RECORDER:	Greg Kleinman, Treasurer
CONSULTING ENGINEER:	Steve Jackson, P.E. Jackson Engineering Telephone: 801-558-5293
BOND COUNCIL:	Randall Larsen Gilmore & Bell PC Telephone: 801-364-5080
FINANCIAL ADVISOR:	Mark Anderson, Vice President Zion's Public Finance Telephone: 801-844-7373

APPLICANT'S REQUEST

Ash Creek Special Services District (ACSSD) is requesting funding from the Water Quality Board (Board) in the amount **$6,876,000** for the construction of a regional sewer lift station and pressure sewer force main to connect the Town of Virgin to the ACSSD collection system in La Verkin, UT.

APPLICANT'S LOCATION

The project is primarily located between the Towns of Virgin and La Verkin, Northeast of St. George in Washington County.

PROJECT BACKGROUND

The Town of Virgin does not currently have a sanitary sewer collection system. Existing residential dwellings rely on private septic systems for sewage disposal, including several Large Underground Wastewater Disposal Systems (LUWDS). Since the town is located close to the Virgin River, there is concern about potential for degradation of surface water quality in the area due to the increased number of onsite systems, including other developments planned in the area.

In 2022 a study was completed by Sunrise Engineering, commissioned by the State of Utah (2022 Update Virgin Town Wastewater Study), which outlined several options for wastewater treatment in the region. These alternatives included a proposed sewer system connecting to the regional treatment facility in La Verkin. In February 2024, Town of Virgin voted to annex into ACSSD.

The Town of Virgin is the 19th largest community in the State without a sanitary sewer system. The community is under significant growth and development pressures. The Division of Water Quality (Division) has encouraged construction of a sanitary sewer system trunkline to service the Town of Virgin for several years. Most of the recent pursuits have required consideration of extensive grant dollars and most recently the Division attempted to access American Rescue Plan Act (ARPA) funds to construct this trunkline.

In late 2023, Division staff were approached about a commercial development proposing to construct a trunkline to connect a commercial facility to ACSSD. Division Staff determined it was a great opportunity to construct a trunkline large enough to service both the commercial development and the Town of Virgin. Since this would primarily serve commercial development grant funds will not be discussed. This project is attempting to move quickly. For these reasons, Division staff agreed to bring this project as soon as possible in front of the Board "off schedule."

PROJECT NEED

This project will provide a regional sewer lift station for the Town of Virgin and will mitigate current and future wastewater flows by conveying the flows to the ACSSD lagoons and/or new confluence park treatment plants. The following facilities are anticipated to be connected: White Bison Resort (168 RV Pads, and 47 Glamping Sites); Zions Sunset Convenience Store and Restaurant; Kerlin Mobile Home Park; K&K Properties Residential project; and Smith Residential Project.

Once the future gravity sewer line is constructed through the Town of Virgin to the proposed Regional Sewer Lift Station, the majority of the towns Commercial Projects will be taken off the their LUWDS and conventional septic systems. These include: Zion River RV Park; Furber Resort; Zion Wildflower Resort; Auto Camp Resort; and the Fairfield inn and Suites; eliminating an approximate 109,000 GPD of sewage treatment by LUWDS and septic systems overall.

ALTERNATIVES EVALUATED

An alternatives analysis was included in the 2022 Town of Virgin Wastewater Study. The analysis included alternative onsite treatment, construction of a new lagoon facility, and a sewer line connection to ACSSD. ACSSD concluded that a pressurized force main would be the best option for providing for current and future needs in the Town of Virgin.

PROJECT DESCRIPTION

The project will be divided into two initial phases (Phase 1A and 1B). Phase 1A will include the construction of a regional sewer lift station in the Town of Virgin and an 8-inch pressurized force main providing a connection between the Lift Station and the regional sewer treatment facility in La Verkin. This will also provide connections to a limited number of approved and existing projects, as outlined in the “Project Needs” section. Phase 1B will include connections for several other existing communities, and provide the backbone for future connections in the Town of Virgin.

POPULATION GROWTH

Based on 2020 and 2010 census data, the annual growth rate in the Town of Virgin is 1.18%, which is lower than the state average. However, looking at only data from the past 5 years, as was recommended by the 2022 Wastewater Study, the annual population growth rate is much higher (3.32%).

PUBLIC PARTICIPATION AND DEMONSTRATION OF PUBLIC SUPPORT

In February 2024, the Town of Virgin approved annexation into ACSSD. One of the primary goals of this project is to create a public/private partnership with the existing and anticipated communities that are or would be connected to onsite systems without this project. ACSSD anticipates this project to include $767,000 in private contributions.

IMPLEMENTATION SCHEDULE

Construction is expected to begin this year as soon as funding is approved. Construction is expected to be completed by the end of 2024.

APPLICANT'S CURRENT USER CHARGE

The current user charges for ACSSD is $36.75 per month per residential connection and $18.90 per month per RV pad connection. The proposed project indicates debt service being paid by 297 Equivalent Residential Connections (ERC). Based on the attached cost model a 0% interest loan with a 30-year term would be approximately $57/month for debt service. Adding in operation and maintenance of the collection system and a treatment fee from ACSSD, the monthly rate per ERC would be approximately $145.

COST ESTIMATE

The total estimated cost of the project is **$7,643,000**, and the request for funding is **$6,876,000**. This includes 15% Engineering Design & Construction Management Services (CMS) and a 50% contingency with the cost estimate. Note that the 50% contingency has been increased from the application, which originally had a 10% contingency. A breakdown of the cost by project is included below.

Construction Phase 1A	$3,100,000
Construction Phase 1B	$1,867,000
50% Contingency (1A+1B)	$2,484,000
Engineering Design & CMS	$82,000
DWQ Loan Origination Fee	$70,000
Legal/Bonding	$40,000
Total Cost	**$7,643,000**
Local Contributions	-$767,000.00
Request for Funding	**$6,876,000**

STAFF COMMENTS

Division Staff is very supportive of this project. The Town of Virgin is one of the larger unsewered areas in the State of Utah, and a public/private partnership leading to the construction of a sewer collection system and connection to a nearby treatment facility would solve many environmental concerns about onsite systems in the area. The Town of Virgin, ACSSD, and private entities in the region have all shown support for the project.

STAFF RECOMMENDATION

Division Staff recommend that the Board authorize funding in the amount of **$6,876,000 as a loan at an interest rate of 0.0% repayable over 30 years under the following special conditions:**

1. ACSSD must agree comply with the provisions of Utah Admin. Code R317-101-3 including but not limited:
    a. Participation annually in the Municipal Wastewater Planning Program (MWPP);
    b. Develop, commit to adopt, and implement a capital assessment management plan; and
    c. Submission of the sewer use ordinance or resolution and user charge system to the division for review and approval to insure adequate provisions for debt retirement, operation and maintenance, or both.

Town of Virgin (ACSSD) - Water Quality Board
30 Year Loan Static Cost Model

Project Costs

Legal/Bonding		$ 40,000
DWQ Loan Origination Fee		$ 70,000
Engineering - Design & CMS		$ 82,000
Phase 1A - Regional LS & Force Main	$ 3,099,675	
Phase 1B - Local LS & Connection	$ 1,867,250	
Construction subtotal		**$ 4,966,925**
Contingency (50%)		$ 2,483,463
Total Project Cost:		**$ 7,642,388**

Anticipated Customer Base & User Charges

Estimated Total Customer (ERC's)	297	Taken From 2022 Study
MAGI for Virgin (2021):	$47,100	
State Affordability Criteria (1.4%)	$54.95	
Estimated Impact Fee (per ERU):	$2,000	
Current ACSSD Monthly Fee (per ERU)	$36.75	
Debt Service	$0	
Annual O&M expense	$100,000	

Project Funding

Local Contribution	$ 766,600
Amount to be Funded	**$ 6,875,788**
WQB Grant	**$ -**
Total Project Cost:	**$ 7,642,388**

Funding Conditions

Loan Repayment Term:	30
Reserve Funding Period:	6

ESTIMATED COST OF SEWER SERVICE

WQB Grant	WQB Loan	Private Loan Amount	WQB Loan Interest Rate	Private Loan Interest Rate*	WQB Loan Debt Service	WQB Loan Reserve	Private Loan Debt Service	Annual Sewer	Treatment fee	Total Annual Sewer Cost	Monthly Sewer Cost/ ERU	Sewer Cost as % of MAGI	Financial Burden
	0	6,875,788	0.00%	4.50%	0	0	422,115	100,000	130,977	653,092	183.25	4.67%	MEDIUM
	6,875,788	0	0.00%	4.50%	229,193	57,298	0	100,000	130,977	517,468	145.19	3.70%	MEDIUM
	6,875,788	0	0.50%	4.50%	247,383	61,846	0	100,000	130,977	540,206	151.57	3.86%	MEDIUM
	6,875,788	0	1.00%	4.50%	266,424	66,606	0	100,000	130,977	564,007	158.25	4.03%	MEDIUM
	6,875,788	0	1.50%	4.50%	286,302	71,576	0	100,000	130,977	588,855	165.22	4.21%	MEDIUM
	6,875,788	0	2.00%	4.50%	307,003	76,751	0	100,000	130,977	614,731	172.48	4.39%	MEDIUM
	6,875,788	0	2.50%	4.50%	328,509	82,127	0	100,000	130,977	641,613	180.03	4.59%	MEDIUM
	6,875,788	0	3.00%	4.50%	350,798	87,699	0	100,000	130,977	669,474	187.84	4.79%	MEDIUM
	6,875,788	0	3.50%	4.50%	373,846	93,461	0	100,000	130,977	698,284	195.93	4.99%	MEDIUM

*Staff Estimate

FNI Calculation

	Local Value	State Value	Score	Weighting Factor	Weighting Score	Table **
Unemployment Rate	4.2%	3.6%	2.30	4	9.20	S2301
Poverty Rate	23.4%	9.1%	3.00	2.5	7.50	S1701
Threshold LQI	$ 32,025	$ 35,445	1.39	2.5	3.48	B19080
Population Growth Rate	12.0%	18.6%	2.29	1	2.29	B01003
Financial Need Indicator (Sum of weighted Scores/10)					**2.25**	

2020 5 year ACS Table

** https://data.census.gov/cedsci/

Financial Burden Matrix

	Modified MAGI				
FNI	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	Low	Medium	Medium	High
1.5 to 2.5	Low	Medium	Medium	High	High
Above 2.5	Medium	Medium	High	High	High

State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of
Environmental Quality

Tim Davis
Executive Director

DIVISION OF WATER QUALITY
John K. Mackey, P.E.
Director

M E M O R A N D U M

TO: Utah Water Quality Board

THROUGH: John Mackey, P.E., Director

FROM: Ken Hoffman, P.E. and Beth Wondimu, P. E.

DATE: June 25, 2025

SUBJECT: Spring City – Sewage Collection System Improvement
Request to Convert a $289,000 Design Advance into a Hardship Grant

APPLICANT'S REQUEST

On April 26, 2023, the Water Quality Board (Board) authorized a Design Advance of $289,000 to Spring City (the City) to improve the wastewater collection system. Attached is the Design Advance Authorization document. **The City requests the conversion of a $289,000 Design Advance loan to a Hardship Grant to allow the project to be completed.**

BACKGROUND

The City's Sewer Improvements Project consists of installing 1,230 feet of new 12" PVC sewer interceptor lines; 3,650 feet of new 10" PVC sewer interceptor lines; and 18,650 feet of new 8" PVC sewer collector pipeline with accompanying manholes and service laterals.

The United States Department of Agriculture – Rural Development (USDA-RD) authorized a loan of $3,424,000 and a grant of $1,274,000 for the project. In addition, the City self-funded an expected share at $140,000. The total project is anticipated at $5,128,000.

On March 12, 2025, the City bid the project, and the lowest bid came in over the original construction estimate and within the funding available from USDA-RD to complete the project. With the higher-than-estimated construction, the overall project costs are estimated to be $5,128,000. The bids indicated that higher costs are due to higher pipe material costs and higher labor costs due to market conditions, which particularly hit the construction industry.

A total of $5,128,000 is needed to complete the project. Of the entire $5,128,000 total project cost, the City is short by $289,000. During the April 26, 2023 Board meeting staff discussion included"

> "Board loan funds continue to be limited so staff appreciates Spring City exploring USDA-RD as the primary source of funding. As the Board can see from the cost model, small amounts of grant funds are impactful on affordability. Staff is recommending that the design advance be authorized as an advance to be repaid expeditiously and Spring City be invited back at a later date once they have secured project funding."

STAFF COMMENTS

The Division of Water Quality (Division) supports the City's request for funding as it believes that the project is essential to help sewer collection system improvements. This funding will demonstrate support from the Board and allow construction to be expeditated and to be completed while providing a relevantly small percentage of the overall project funding. Staff believe City has done an excellent job leading their project and securing USDA-RD funding. Staff is supportive of the conversion of the Design Advance to a Hardship Design grant.

STAFF RECOMMENDATION

Staff recommends that the **Board authorize conversion of the Design Advance of $289,00 to a Hardship Design Grant to the City under the following special conditions**:

1. The Division must approve the engineering agreement and plan of design before the advance will be executed.

2. The City must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).

3. As part of the facility planning, the City must complete a Water Conservation and Management Plan.

WATER QUALITY BOARD
FEASIBILITY REPORT FOR DESIGN ADVANCE AUTHORIZATION

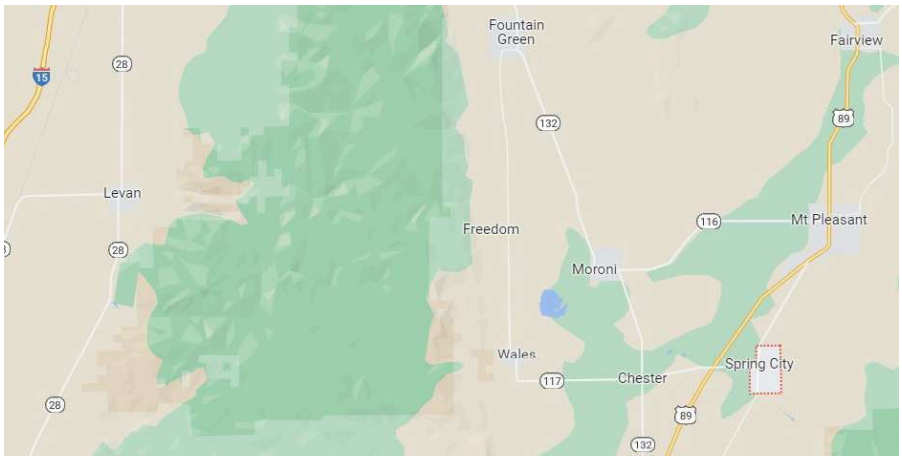
APPLICANT:	Spring City P.O. Box 189, 45 South 100 East Spring City, Utah 84662 Telephone: 435-462-2244
PRESIDING OFFICIAL:	Chris Anderson, Mayor
TREASURER:	White Allred
RECORDER:	Ruth McCain
CONSULTING ENGINEER:	Mario Gonzalez Sunrise Engineering, Inc. Address: 635 North Main, Ste. 675 City: Richfield Zip Code: 84701 Phone: 435-201-6688
BOND COUNSEL:	Chamberlain & Associates Address: 225 100 East City: Richfield Zip Code: 84701 Phone: 435-896-4461

APPLICANT'S REQUEST:

Spring City (the City) is requesting a **$289,000** design advance to cover pre-construction costs related to extension of the sewer collection system project.

APPLICANT'S LOCATION

Spring City is located in Sanpete County, approximately 10 miles north of Ephraim, Utah along Highway 89.



BACKGROUND:

The City has approximately 438 sewer connections on the collection system. This includes 426 residential, 4 commercial, 7 institutional, and 1 City connection. The City sewer collection system was installed in the 1990's, when most of the homes were located in the western two thirds of the City limits. Since the 1990's nearly all of the growth in the city has extended to the east and to the north parts of the City. The planning growth rate is 1.5%, which would result in 6 to 7 new homes per year for the next 5 years.

Most homes that have been built since that time were more than 300 feet away from existing sewer line. The number of homes is estimated to be approximately 30 to 40. These homes have installed septic tanks but they are currently existing in an area that would benefit from sewer connection. The City is concerned about the increasing number of septic tanks and their potential impact on the City's groundwater source. Spring City intends to extend the existing sewer collection system in order to service all homes within the city limits. Existing homes that are currently on septic tanks will be encouraged to connect to sewer, and all new homes within city limits will be required to connect to the sewer collection system.

The project will extend the sewer collection system to 700 East and 950 North. A new interceptor pipeline will connect the extensions on the north end of the system to the lagoons. This interceptor line will include a creek crossing, highway crossing, and will likely involve the construction of deep sewer (greater than or equal to 12 feet of depth) for a portion of the alignment west of the highway. A new interceptor line will run from 950 N to the sewer lagoons. The interceptor line will take the sewage from the extended area to the lagoons for treatment. The improvements will consist of approximately 25,200 feet of new sewer pipe and new manholes.

The City has completed a Wastewater Improvements Preliminary Engineering Report (PER) in November 2022, prepared by Sunrise Engineering. The PER provided an overview of the system and options for extending the collection system. This report provides the more detailed evaluation of the system and the feasibility of the collection system improvements.

PROJECT DESCRIPTION

The City is proposing to construct an extension of the sewer collection system. The City proposes the following items:

- Install approximately 21,000 liner feet of 8-inch pvc sewer lines
- Install approximately 4,165 liner feet of 10-inch pvc sewer lines
- Install 63 manhole of 48-inch
- Install new interceptor sewer

ALTERNATIVES EVALUATED

The City has evaluated alternatives and are included here:

Alternative 1: No action

Alternative 2: The extension of the system to 700 E and 950 N will allow most buildable properties within city limits to be within 300 feet of the system and a new interceptor route will run west on 950 North to Highway 117.

Alternative 3: The extension of the sewer collection system to 700 E and 950 N, providing connectivity within 300 feet of properties within City limits. A new interceptor line will be constructed from 950 N to the lagoons.

Alternative 4: The extension of the system to 700 E and 950 N will allow most buildable properties within city limits to be within 300 feet of the system. The new interceptor route will connect the new extended sewer system to the lagoons for treatment.

Alternative 5: The extension of the system to 700 E and 950 N will allow most properties within city limits to be within 300 feet of the system but would exclude service to any property to the north and to the west of 300 East. The new interceptor route will connect the new extended sewer system to the lagoons for treatment.

Alternative 6: Construct extending the sewer collection system to 950 North and 700 East and replacing cleanouts on dead ends with new manholes throughout the system.

The recommended alternative is No. 3, which is the sewer collection system to 950 North and 700 East providing connectivity within 300 feet of properties within City limit and constructing a new interceptor line from 950 N to the lagoons.

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POPULATION

Based on the 2021 US Census data, the population was estimated at 1,069.

After comparing the growth projections provided by the Gardener Institute and Spring City, an annual growth rate of 1.50% was selected for this project.

Year	Population	ERC
2022	1,130	438

(Source: Spring City Wastewater Improvements Preliminary Engineering Report (PER) in November 2022, prepared by Sunrise Engineering and the Kem C. Gardner Policy Institute at University of Utah)
[1]ERC = Equivalent Residential Connections

APPLICANT'S CURRENT USER CHARGE

Currently, Spring City charges approximately $31.50 per month per ERC. According to the Utah Water Quality Board's affordability criteria of 1.4% of MAGI ($40,400 for Spring City and $46,500 for Statewide) an affordable monthly rate for wastewater should exceed $47.37 per month for grant consideration as part of a funding package.

The City doesn't currently have an impact fee but is planning to do an impact fee analysis and institute an impact fee as soon as the funding for the project is authorized.

IMPLEMENTATION SCHEDULE

Apply to USDA-RD for Funding	November 2022-March 2023 (complete)
WQB for Design Advance Funding	March 20, 2023
WQB Funding Authorization –	April 26, 2023
Anticipated USDA-RD Funding Authorization:	June 2023
Design & Permitting Phase	June 2023–December 2023
DWQ Plan Review:	January 2024
Bid Phase:	February 2024–March 2024
Construction Phase	April 2023–October 2024

PUBLIC PARTICIPATION AND DEMONSTRATION OF PUBLIC SUPPORT:

The City held a public meeting on June 4, 2020 to discuss the sewer improvement including growth projection as required by the Utah Wastewater State Revolving Fund (SRF) program. The City will hold a final public hearing as required by United States Department of Agriculture – Rural Development (USDA-RD).

COST ESTIMATE

Project Description	
Land & Easements	$25,000
Legal/Bonding	$70,000
Engineering - Special	$49,000
Engineering – Design	$289,000
Engineering - CMS	$351,000
Construction	$3,721,000
Contingency	$558,200
Total Project Cost:	**$5,063,200**

EFFORTS TO SECURE FINANCING FROM OTHER SOURCES:

The total cost of the project is estimated at **$5,063,200**. Spring City has applied to USDA-RD requesting $4,674,200 in construction funding to complete the project. The City is requesting $289,000 from the Water Quality Board to fund design work. In addition, a local share of $100,000 will be for design phase to have sufficient funds to cover the full extent of the preconstruction costs.

COST SHARING:

The following is the summary of cost sharing proposed for this project:

Funding Source	Cost Sharing	Percent of Project
Local Contribution for Design Advance	$100,000	2%
WQB – Design Advance	$289,000	6%
USDA-RD Fund	$4,674,200	92%
Total:	$5,063,200	100%

ESTIMATED ANNUAL COST FOR SEWER SERVICE:

The static model of financing alternatives considered is given in Attachment 1. If the City is able to obtain its requested funding from all other sources, the City will likely have to raise its sewer rates above $50 per month to afford of this project.

FINANCIAL BURDEN EVALUATION:

The cost for sewer service shows the City will qualify for grant consideration as part of a funding package under the State Affordability Criteria. In accordance with the Board's Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, staff utilized data from the United State Census Bureau (census) website (https://data.census.gov/cedsci/) to calculate the City's Financial Need Indicator (FNI). The calculated FNI is 1.76 which is the mid-range of the FNI. Staff compared this FNI to the percent modified MAGI in the Financial Burden Matrix and displayed the Financial Burden in Attachment 1. **Based on the Financial Burden Evaluation Policy for the Utah Wastewater Project Assistance Program, the community has a Financial Burden of Medium or High.**

STAFF COMMENTS:

Staff supports the City's request for funding as it believes that the project is essential to extend the sewer collection system. The City's plan will protect a valuable groundwater and contribute to orderly growth in the area. Spring City has a priority in protecting the City's groundwater and limiting septic systems within proximity to the City.

USDA-RD cannot repay a Board Planning or Design Advance as part of a construction funding package. Funding this design advance will demonstrate support from the Water Quality Board and allow design to be expeditated while providing a relevantly small percentage of the overall project funding. Utah rule requires "once the long-term project financing has been secured, the Project Design Advance must be expeditiously repaid to the Board." Staff believes this allows the Board four options; 1) require the City to return to the Board to fund part of the construction funding, 2) provide all or part of the advance as a loan which would require a loan closing, 3) provide terms for the design advance to be repaid to the hardship grant fund, or 4) provide the design advance as 100% grant funding.

Board loan funds continue to be limited so staff appreciates Spring City exploring USDA-RD as the primary source of funding. As the Board can see from the cost model, small amounts of grant funds are impactful on affordability. Staff is recommending that the design advance be authorized as an advance to be repaid expeditiously and Spring City be invited back at a later date once they have secured project funding.

STAFF RECOMMENDATION:

Staff recommends the **Water Quality Board authorize a hardship design advance in the amount $289,000** to the Spring City under following the special conditions:

1. The Division of Water Quality must approve the engineering agreement and plan of design before the advance will be executed.
2. The Design Advance must be expeditiously repaid to the Board once long-term project financing has been secured.
3. The City must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).
4. As part of the facility planning, the City must complete a Water Conservation and Management Plan.

Spring City
(Attachment 1) - Static Cost Model

Project Descriptions

Land & Easements	$25,000
Legal/Bonding	$70,000
Engineering - Special	$49,000
Engineering - Design	$289,000
Engineering - CMS	$351,000
Construction	$3,721,000
Contingency	$558,200
Total Project Cost:	**$5,063,200**

Current Customer Base & User Charges

Initial Total Customer (ERU's)	438
MAGI for Salina City (2020):	$40,600
Affordable Monthly Rate at 1.4%	$47.37
Impact Fee (per ERU):	$0
Current Monthly Fee (per ERU)	$31.50
Existing Sewer Debt Service	$17,000
Annual O&M expensive incling propose pr	$86,600
Financial Need Indicator	1.91

Project Funding

Local Contribution	100,000
WQB Design Advance	289,000
RD Funding	4,674,200
Total Project Cost:	**5,063,200**

Funding Conditions

DWQ Loan Repayment Term:	20
DWQ Advance Repayment Term:	5
Reserve Funding Period:	-
USDA-RD Loan Repayment Term:	40
Reserve Funding Period:	6

ESTIMATED COST OF SEWER SERVICE

RD Grant Amount	RD Loan Amount	RD Interest Rate	RD Loan Debt Service	WQB Grant Amount	WQB Loan Amount	WQB Interest Rate	WQB Loan Debt Service	Annual Sewer O&M Cost	Existing Debt Service	Total Annual Sewer Cost	Monthly Sewer Cost/ERU	Sewer Cost as a % of MAGI	Financial Burden
-	0	0.00%	0	0	5,063,200	0%	253,160	86,600	$17,000	356,760	67.88	2.01%	Medium
-	4,674,200	2.00%	199,917	0	289,000	0%	57,800	86,600	$17,000	361,317	68.74	2.03%	Medium
935,000	3,739,200	2.00%	159,926	0	289,000	0%	57,800	86,600	$17,000	321,326	61.14	1.81%	Medium
935,000	3,739,200	2.00%	159,926	72,250	216,750	0%	43,350	86,600	$17,000	306,876	58.39	1.73%	Medium
935,000	3,739,200	2.00%	159,926	144,500	144,500	0%	28,900	86,600	$17,000	292,426	55.64	1.64%	Medium
935,000	3,739,200	2.00%	159,926	216,750	72,250	0%	14,450	86,600	$17,000	277,976	52.89	1.56%	Medium
935,000	3,739,200	2.00%	159,926	289,000	0	0%	0	86,600	$17,000	263,526	50.14	1.48%	Medium
-	4,674,200	3.91%	272,614	0	289,000	0%	57,800	86,600	17,000	434,014	82.57	2.44%	High
935,000	3,739,200	3.91%	218,082	0	289,000	0%	57,800	86,600	17,000	379,482	72.20	2.13%	High
935,000	3,739,200	3.91%	218,082	72,250	216,750	0%	43,350	86,600	17,000	365,032	69.45	2.05%	Medium
935,000	3,739,200	3.91%	218,082	144,500	144,500	0%	28,900	86,600	17,000	350,582	66.70	1.97%	Medium
935,000	3,739,200	3.91%	218,082	216,750	72,250	0%	14,450	86,600	17,000	336,132	63.95	1.89%	Medium
935,000	3,739,200	3.91%	218,082	289,000	0	0%	0	86,600	17,000	321,682	61.20	1.81%	Medium

FNI Calculation for Spring City

	Local Value	State Value	Score	Weighting Factor	Weighting Score	
Unemployment Rate	4.3%	3.5%	2.40	4	9.60	S2301
Poverty Rate	2.5%	8.8%	1.00	2.5	2.50	S1701
Threshold LQI	$ 32,158	$ 37,685	1.59	2.5	3.98	B19080
Population Growth Rate	-12.3%	19.0%	3.00	1	3.00	B01003
Financial Need Indicator (Sum of weighted Scores/10)					**1.91**	

2021 5 year ACS Table

** https://data.census.gov/cedsci/

Financial Burden Matrix

	Modified MAGI				
FNI	Below 1.4%	1.4% to 1.75%	1.75% to 2.1%	2.1% to 2.45	Above 2.45
Below 1.5	Low	Medium	Medium	High	High
1.5 to 2.5	Medium	Medium	Medium	High	High
Above 2.5	High	Medium	High	High	High

State of Utah

SPENCER J. COX
Governor

DEIDRE HENDERSON
Lieutenant Governor

Department of
Environmental Quality

Tim Davis
Executive Director

DIVISION OF WATER QUALITY
John K. Mackey, P.E.
Director

MEMORANDUM

TO: Utah Water Quality Board

THROUGH: John Mackey, P.E., Director

FROM: Jake Vander Laan, Water Quality Standards Coordinator

DATE: June 25, 2025

SUBJECT: Recommendation to adopt of amendments to R317-2, Standards of Quality for Waters of the State

By statute (Section 19-5-104), the Board has the authority to amend Utah's water quality standards through the rulemaking process. At the February 26, 2025 Water Quality Board meeting, the Board approved DWQ's request to commence rulemaking for three substantive changes to R317-2 Standards of Quality for Waters of the State:

1. Update the Colorado River Salinity Standards (R317-2-4) to reference the 2023 review
2. Add numeric criteria for methylmercury to the list of human health criteria in R317-2 Table 2.14.6
3. Add numeric criteria for the cyanotoxins, microcystins and cylindrospermopsin, for the protection of recreational uses

Staff initiated rulemaking with publication of the proposed amendments in the April 15, 2025 Utah State Bulletin. Notice of the proposed amendment was posted on Utah's public notice webpage (April 14, 2025) and DWQ's webpage and published in local newspapers (April 14, 19, and 20). Comments were also solicited through outreach to Utah's Water Quality Board, DWQ's Water Quality Standards Workgroup, other stakeholders, and partner state and federal agencies, and via postcards sent to political subdivisions throughout the state. A public hearing was held to receive comments on June 2, 2025. Comments were accepted until close of business on June 3, 2025. DWQ received two sets of written comments and has evaluated and responded to all comments.

A summary of the public engagement process including DWQ's public notices, a summary of the public hearing, comments received on this rulemaking, and DWQ's response to comments is provided in Appendix 1. Detailed information regarding the scientific and regulatory basis and recommendations for programmatic implementation of the proposed methylmercury and cyanotoxin criteria are provided as Appendices 2 and 3.

DWQ has thoroughly considered the water quality benefits and regulatory impacts of the proposed changes and all feedback received during the public comment process. DWQ concludes that these changes incorporate the best available science and are necessary to ensure water quality protections for the beneficial uses of Utah's waters including human health, recreation, agriculture, and aquatic life.

The proposed amendments are unchanged since they were initially proposed to the Board. Staff recommends that the Board adopt these amendments effective immediately.

Per Section 19-5-110(4)(a), adoption of standards of quality for the waters of the state shall be effectuated by a published order of the board. A proposed board order is provided in Attachment 1.

Upon Board approval, staff will notify the Office of Administrative Rules of the amendments effective date, publish the Board's order, obtain certification by the State Attorney General that the amendments were duly adopted in accordance with State law, and submit the amendments to the U.S. Environmental Protection Agency for approval.

State of Utah

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John K. Mackey, P.E.
Director

ORDER

BEFORE THE UTAH WATER QUALITY BOARD IN THE MATTER OF REVISING R317-2 STANDARDS OF QUALITY FOR WATERS OF THE STATE

This matter came for hearing before the Utah Water Quality Board pursuant to notice given under the provisions of Section 19-5-110, on the 25th day of June, 2025 for the purpose of considering amendments to Utah Administrative Code R317-2 Standards of Quality for Waters of the State. The proposed amendments were published in the April 15, 2025 Utah Bulletin.

The Board, having taken cognizance of the oral and written statements received, and having fully considered all of the facts in the matter, has therefore ORDERED that the revised R317-2 Standards of Quality for Waters of the State be reissued effective immediately with the changes as adopted by the Board.

DWQ-2025-004871

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