



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Department of
Environmental Quality

L. Scott Baird
Executive Director

DIVISION OF WATER QUALITY
Erica Brown Gaddis, PhD
Director

Water Quality Board
Jennifer Grant, Chair
Gregg A. Galecki, Vice Chair
Steven K. Earley
Brandon Gordon
Michael D. Luers
L. Scott Baird
Emily Niehaus
James Webb
Dr. James VanDerslice
Dr. Erica Brown Gaddis
Executive Secretary

**Utah Water Quality Board Meeting
Via Adobe Connect**

April 22, 2020
Meeting Begins at 9:30 am

AGENDA

Work Meeting Begins at 8:30 am

- 1. Storm water program updatesJeanne Riley

Water Quality Board Meeting – Roll Call

A. Minutes:

- Approval of minutes for March 25, 2020 Water Quality Board Meeting Jennifer Grant

- B. Executive Secretary’s Report**Erica Gaddis

C. Funding Requests:

- 1. Financial Status Report Emily Cantón
- 2. Financial Assistance for Loan Recipients John Mackey
- 3. Provo City – Project Update Ken Hoffman

D. Other Business:

- 1. Wastewater Operator Certification Council Annual Report for 2019..... Brent Justensen

E. Public Comment Period

F. Meeting Adjournment

Next Meeting May 27, 2020 at 8:30 am
DEQ Board Room 1015
195 North 1950 West
Salt Lake City, UT 84116

Revised 4/13/2020
DWQ-2020-008426

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Larene Wyss, Office of Human resources, at (801) 536-4281, TDD (801) 536-4284, or by email at lwys@utah.gov at least five working days prior to the scheduled meeting.

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MINUTES

UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY

UTAH WATER QUALITY BOARD

Via Adobe Connect

March 25, 2020

8:30 am

UTAH WATER QUALITY BOARD MEMBERS PRESENT

Scott Baird	Mike Luers
Gregg Galecki	Emily Niehaus
Brandon Gordon	James VanDerslice
Jennifer Grant	James Webb

Excused: Steven Earley

DIVISION OF WATER QUALITY STAFF MEMBERS PRESENT

Robert Beers	Angela Gunderson
Marsha Case	James Harris
Scott Daly	Ken Hoffman
Skyler Davies	Brenda Johnson
Emily Cantón	John Mackey
Erica Gaddis	Jeff Studenka
Jodi Gardberg	Beth Wondimu

OTHERS PRESENT

Brad Rasmussen	Aqua Engineering
Scott Ericson	EDO
Julie Bergeson	Lewiston City
Kelly Field	Lewiston City
Ted King	Lewiston City
Zan Murray	Lewiston City – JUB
Chad Brown	Millville City
David Hair	Millville City
Corey Twedt	Millville City
Dal Wayment	South Davis Sewer District
Matt Myers	South Davis Sewer District
Jay Olsen	UDAF
Lance Hauser	

Ms. Grant called the Board meeting to order at 8:30 AM and took roll call for the members of the Board and audience.

APPROVAL OF MINUTES OF FEBRUARY 26, 2020 MEETING

Motion: Mr. Luers moved to approve the minutes of the February 26, 2020 meeting. Dr. VanDerslice seconded the motion. The motion passed unanimously.

EXECUTIVE SECRETARY REPORT

National Level

- Dr. Gaddis reported to the Board that Water Quality has submitted the Headwater Numeric Nutrient Criteria Package that was previously approved by the Water Quality Board to the EPA.

State Level

- Dr. Gaddis reported to the Board the issues regarding COVID-19.
 - Department of Environmental Quality is open for business.
 - There will be regulatory relief on a case-by-case basis.
 - Staff is working on identifying facilities in the state with lab capabilities.
- Dr. Gaddis updated the Board regarding the response to the recent Earthquake
 - Outreach to the affected POTWs.
 - Identified that there is a potential issue with fuel for backup generators.
- Dr. Gaddis also updated the Board about the Utah Lake Water Quality Study.
- Dr. Gaddis updated the Board about the Legislative session.
 - HB226 Storm Water Rule Revisions passed.
 - The Harmful Algal Bloom funding was restored to Water Quality for the summer season.
 - Agricultural Water Quality Incentive Program did not move forward although the Division plans to pilot the program this year.

Division

- Dr. Gaddis reported to the Board about the sustainable work expectations regarding COVID-19.

FUNDING REQUESTS

Financial Report: Ms. Cantón updated the Water Quality Board on the Loan Funds and Hardship Grant Funds, as indicated in the packet.

Intended Use Plan: Ms. Cantón requested approval from the Utah Water Quality Board to initiate the public comment period for review of the FY 2020 Intended Use Plan.

Motion: Mr. Galecki moved to approve the Intended Use Plan be send to public notice for the public comment period. Ms. Niehaus seconded the motion. The motion passed unanimously.

South Davis Sewer District - Reauthorization: Mr. Hoffman presented the South Davis Sewer District (SDSD) request for a construction loan from the Utah Water Quality Board (Board) to be used for construction of a new tertiary wastewater treatment extension at SDSD's North Plant. SDSD is requesting

a loan of \$14,176,000, including \$1,000,000 in principal reserved for SRF eligible nonpoint source project funding.

Motion: Mr. Luers moved to approve the staff recommendation with special conditions to authorize a loan of \$14,176,000 with an interest rate of 0.25% and a 20-year term, including \$1,000,000 in principal reserved for SRF eligible nonpoint source project funding, subject to the following conditions:

- 1. SDSD must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).*
- 2. SDSD must replace the innovative biological (algae) treatment with a proven conventional process, equipment, and materials capable of meeting the District's UPDES permit if the proposed project cannot consistently meet the requirements of this permit.*
- 3. SDSD is not required to fund and maintain separate emergency repair and replacement reserves for this loan so long and SDSD maintains a minimum debt coverage reserve ratio of 1.25 percent throughout the life of the loan.*

Mr. Galecki seconded the motion. The motion passed unanimously.

Lewiston City – Authorization: Mr. Mackey presented the request for financial assistance in the amount \$3,064,000 for construction of sewerage and treatment works improvements. Included in this amount is the hardship design advance of \$186,000 that the City awarded at the February 26, 2020 WQB meeting.

Motion: Mr. Galecki moved to approve the staff recommendation with special conditions to authorize Lewiston City grant in the amount of \$500,000, which includes the design advance amount, subject to the following conditions:

- 1. The City must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).*
- 2. As part of the facility planning, the City must complete a Water Conservation and Management Plan.*
- 3. Lewiston must pursue and retain remaining funding necessary to fully implement the project prior to loan closing.*
- 4. Lewiston must develop, implement, and commit to fund at plan levels, an asset management program that is consistent with EPA's Fiscal Sustainability Plan guidance.*

Ms. Niehaus seconded the motion. The motion passed unanimously.

Millville City – Authorization: Mr. Hoffman presented the Millville City request for financial assistance for the Water Quality Board in the about of \$14,300,000 to construct a new sewerage system.

Motion 1: Laterals and Septic Tank Decommissioning.

Mr. Luers moved to approve the staff recommendation with special conditions to authorize funding for a \$1,500,000 Hardship Block Grant to Millville for the construction of laterals and septic tank abandonment to be distributed to hardship qualifying residents, subject to the following special conditions:

- 1. Millville must develop a Lateral Grant Program to document, select, and award these grant funds and have the program approved by DWQ Staff.*

At a minimum, only those residents with a total household income of no greater than 150% of the Statewide MAGI are eligible under the grant program and the program shall only fund grant eligible improvements. Millville agrees to report on the program components and implementation to the Utah Water Quality Board.

- 2. If Millville elects to fund the construction of all the laterals and septic tank abandonment in the City through other financing and recoup these costs via monthly fees, then grant recipients shall be charged a reduced rate that deducts grant proceeds proportionately. This rate structure must be established in the approved Lateral Grant Program.*
- 3. Millville must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).*
- 4. Millville must pursue and retain remaining funding commitments, including homeowner participation, necessary to fully implement the "laterals project."*

Mr. Galecki seconded the motion. The motion passed unanimously.

Motion 2: Wastewater Project Authorization for the Construction of the Collection System Project.

Mr. Galecki moved to approve the staff recommendations with special conditions to authorize Millville \$2,000,000 in total funding as principal forgiveness, including the previously authorized design advance in the amount \$350,000, for the design construction of the collection system project, subject to the following special conditions:

- 1. The engineering agreement for the design advance must be approved by Division staff.*
- 2. Millville must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).*
- 3. Millville must complete a Water Conservation and Management Plan.*
- 4. Millville must execute and the Division must approve an interlocal agreement between the City and either Logan City or Hyrum City for treatment and disposal of Millville's wastewater.*
- 5. Millville must pursue and retain remaining funding necessary to fully implement the collection system project prior to loan closing.*
- 6. Millville must develop, implement, and commit to fund at plan levels, an asset management program that is consistent with EPA's Fiscal Sustainability Plan guidance.*

Dr. VanDerslice seconded the motion. The motion passed unanimously.

RULE MAKING

Rescission and replacement of rules governing graywater systems (R317-401): Mr. Beers requested the approval of the rescission and replacement of rules governing graywater systems (R317-401).

Motion: Dr. VanDerslice moved to approve the rescission and replacement of rules governing graywater systems (R317-401). Ms. Niehaus seconded the motion. The motion passed unanimously.

Adoption of new rules governing UPDES public notice requirements (R317-8): Mr. Studenka requested the approval to adopt rulemaking for the following proposed revisions to Utah's Utah Pollution Discharge Elimination System (UPDES) rules.

Motion: Mr. Luers moved to approve the adoption of new rules governing UPDES public notice requirements (R317-8). Mr. Gordon seconded the motion. The motion passed unanimously.

Public Comments: No public comments.

Meeting Adjournment

Motion: Ms. Niehaus moved to adjourn the meeting. Dr. VanDerslice seconded the motion. The motion passed unanimously.

To listen to the full recording of the Board meeting go to: <http://www.utah.gov/pmn/index.html>

Next Meeting – April 22, 2020 at 8:30 am

Via Adobe Connect

<https://utdeq.adobeconnect.com/wqb/>

877-820-7831

Passcode: 782887#

Jennifer Grant, Chair
Utah Water Quality Board

**LOAN FUNDS
FINANCIAL STATUS REPORT
APRIL 2020**

	State Fiscal Year 2020	State Fiscal Year 2021	State Fiscal Year 2022	State Fiscal Year 2023	State Fiscal Year 2024	State Fiscal Year 2025	State Fiscal Year 2026
STATE REVOLVING FUND (SRF)							
Funds Available							
2016 - 2019 Capitalization Grants	24,671,801	-	-	-	-	-	-
2017 - 2019 State Match	4,800,000	-	-	-	-	-	-
Future Capitalization Grants (estimated)	8,358,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Future State Match (estimated)	1,671,600	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
SRF - 2nd Round	74,157,164	100,456,856	79,031,646	36,479,722	12,850,437	24,265,828	51,721,375
Interest Earnings at 1.6627%	308,253	1,670,296	2,265,284	1,045,618	368,332	695,531	1,482,490
Loan Repayments	4,007,334	14,684,494	18,091,792	17,121,097	17,247,059	17,160,015	15,904,662
Total Funds Available	117,974,151	126,411,646	108,988,722	64,246,437	40,065,828	51,721,375	78,708,526
Project Obligations							
Duchesne City	(27,295)	-	-	-	-	-	-
Logan City	(10,000,000)	(13,131,000)	(10,000,000)	-	-	-	-
Moab City	(80,000)	-	-	-	-	-	-
Salem City	(469,000)	-	-	-	-	-	-
South Salt Lake City	(1,941,000)	(2,249,000)	(2,249,000)	-	-	-	-
Loan Authorizations							
Central Valley Water Reclamation Facility	(5,000,000)	(15,000,000)	(23,850,000)	(21,250,000)	-	-	-
Millville City	-	(2,000,000)	-	-	-	-	-
Provo City	-	(15,000,000)	(25,000,000)	(23,000,000)	(15,800,000)	-	-
South Davis Sewer District (with NPS)	-	-	(7,000,000)	(7,146,000)	-	-	-
South Salt Lake City (B)	-	-	(4,410,000)	-	-	-	-
Planned Projects							
None at this time	-	-	-	-	-	-	-
Total Obligations	(17,517,295)	(47,380,000)	(72,509,000)	(51,396,000)	(15,800,000)	-	-
SRF Unobligated Funds	\$ 100,456,856	\$ 79,031,646	\$ 36,479,722	\$ 12,850,437	\$ 24,265,828	\$ 51,721,375	\$ 78,708,526

	State Fiscal Year 2020	State Fiscal Year 2021	State Fiscal Year 2022	State Fiscal Year 2023	State Fiscal Year 2024	State Fiscal Year 2025	State Fiscal Year 2026
UTAH WASTEWATER LOAN FUND (UWLF)							
Funds Available							
UWLF	19,658,291	10,668,707	7,074,799	3,154,705	1,034,293	(1,102,816)	1,759,518
Sales Tax Revenue	-	3,587,500	3,587,500	3,587,500	3,587,500	3,587,500	3,587,500
Loan Repayments	828,441	3,357,992	3,031,806	2,582,488	2,565,791	2,565,235	2,418,354
Total Funds Available	20,486,732	17,614,199	13,694,105	9,324,693	7,187,584	5,049,918	7,765,372
General Obligations							
State Match Transfers	(6,471,600)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)
DWQ Administrative Expenses	(405,425)	(1,690,400)	(1,690,400)	(1,690,400)	(1,690,400)	(1,690,400)	(1,690,400)
Project Obligations							
South Salt Lake City (A)	(1,941,000)	(2,249,000)	(2,249,000)	-	-	-	-
Loan Authorizations							
Kane Co Water Conservancy Dist (Duck Creek)	(1,000,000)	-	-	-	-	-	-
Planned Projects							
Future Project Reserve	-	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	-	-
Total Obligations	(9,818,025)	(10,539,400)	(10,539,400)	(8,290,400)	(8,290,400)	(3,290,400)	(3,290,400)
UWLF Unobligated Funds	\$ 10,668,707	\$ 7,074,799	\$ 3,154,705	\$ 1,034,293	\$ (1,102,816)	\$ 1,759,518	\$ 4,474,972

**HARDSHIP GRANT FUNDS
FINANCIAL STATUS REPORT
APRIL 2020**

HARDSHIP GRANT FUNDS (HGF)	State Fiscal Year 2020	State Fiscal Year 2021	State Fiscal Year 2022	State Fiscal Year 2023	State Fiscal Year 2024	State Fiscal Year 2025	State Fiscal Year 2026
Funds Available							
Beginning Balance		3,064,963	2,467,073	2,967,990	3,220,376	3,283,189	3,180,915
Federal HGF Beginning Balance	6,686,413	-	-	-	-	-	-
State HGF Beginning Balance	1,954,646	-	-	-	-	-	-
Interest Earnings at 1.6627%	35,919	50,961	70,714	85,071	92,306	94,106	91,175
UWLF Interest Earnings at 1.6627%	81,715	177,389	202,785	90,423	29,646	-	50,433
Hardship Grant Assessments	632,902	974,418	854,384	731,418	623,670	514,199	396,397
Interest Payments	142,142	403,983	373,034	345,473	317,191	289,421	261,668
Advance Repayments	-	536,000	-	-	-	-	-
Total Funds Available	9,533,737	5,207,714	3,967,990	4,220,376	4,283,189	4,180,915	3,980,588
Financial Assistance Project Obligations							
Eagle Mountain City - Construction Grant	(510,000)	-	-	-	-	-	-
Emigration Sewer Imp Dist - Planning Grant	(26,158)	-	-	-	-	-	-
Green River	(54,000)	-	-	-	-	-	-
Kane Co Water Conservancy Dist (Duck Creek) - Hardship Grant	(2,034,500)	-	-	-	-	-	-
Lewiston City - Design and Construction	(186,000)	(314,000)	-	-	-	-	-
Millville City - Design and Construction	(350,000)	(1,150,000)	-	-	-	-	-
USU Extension - Hardship Grant	(3,083)	-	-	-	-	-	-
Wasatch Co. Study	(100,000)	-	-	-	-	-	-
Wellington City - Hardship Design Grant	(350,000)	-	-	-	-	-	-
Non-Point Source/Hardship Grant Obligations							
Fitzgerald ARDL interest-rate buy down	(51,056)	-	-	-	-	-	-
McKees ARDL interest-rate buy down	(55,261)	-	-	-	-	-	-
Munk Dairy ARDL interest-rate buy down	(16,017)	-	-	-	-	-	-
(FY11) Gunnison Irrigation Company	(48,587)	-	-	-	-	-	-
(FY12) Utah Department of Agriculture	(385,393)	-	-	-	-	-	-
(FY13) DEQ - Great Salt Lake Advisory Council	(173,009)	-	-	-	-	-	-
(FY15) DEQ - Ammonia Criteria Study	(46,630)	-	-	-	-	-	-
(FY15) DEQ - Nitrogen Transformation Study	(14,500)	-	-	-	-	-	-
(FY17) DEQ - GW Quality Study	(5,051)	-	-	-	-	-	-
(FY17) DEQ - Utah Lake Water Quality Study	(206,150)	(172,749)	-	-	-	-	-
UofU - Utah Lake Sediment - Water Nutrient Interactions	(55,440)	-	-	-	-	-	-
BYU - Bioassays to Investigate Nutrient Limitation	(41,798)	(26,282)	-	-	-	-	-
USU - Historic Trophic State/Nutrient Concentrations Paleo	(143,889)	(77,609)	-	-	-	-	-
FY 2015 - Remaining Payments	(4,223)	-	-	-	-	-	-
FY 2016 - Remaining Payments	(2,386)	-	-	-	-	-	-
FY 2017 - Remaining Payments	(29,723)	-	-	-	-	-	-
FY 2018 - Remaining Payments	(139,036)	-	-	-	-	-	-
FY 2019 - Remaining Payments	(602,220)	-	-	-	-	-	-
FY 2020 - Remaining Payments	(834,667)	-	-	-	-	-	-
Future NPS Annual Allocations	-	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Planned Projects							
None at this time	-	-	-	-	-	-	-
Total Obligations	(6,468,774)	(2,740,641)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
HGF Unobligated Funds	\$ 3,064,963	\$ 2,467,073	\$ 2,967,990	\$ 3,220,376	\$ 3,283,189	\$ 3,180,915	\$ 2,980,588

State of Utah
Wastewater Project Assistance Program
Project Priority List
As of Feb 18 2020

Rank	Project Name	Funding Authorized	Total Points	Point Categories			
				Project Need	Potential Improvement	Population Affected	Special Consideration
1	Provo City	x	144	50	24	10	60
2	Central Valley Water Reclamation Facility	x	143	50	23	10	60
3	South Davis Sewer District	x	138	50	18	10	60
4	Millville City		114	45	46	3	20
5	Wellington City		74	10	21	3	40
6	Lewiston City		67	10	16	1	40
7	Kane County Water Conservancy District (Duck Creek)	x	62	40	21	1	0



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Executive Secretary

MEMORANDUM

TO: Utah Water Quality Board

THROUGH: Erica Brown Gaddis, PhD, Director
Emily Canton, Administrative Services Director

FROM: John Mackey, P.E., Engineering Section

At the March 25, 2020 Utah Water Quality Board (the Board) meeting, the Board discussed the current state of emergency that has resulted from the COVID-19 pandemic and the potential impacts of this emergency on our citizens, their waters and their health. The Board discussed the potential adverse impacts of the state of emergency on city and district revenues, and the possibility that lower revenues could strain a city's ability to both maintain services and meet loan obligations.

As a result of this discussion, the Board directed staff to review active loans with upcoming loan repayment, as well as evaluate options that may be available to the board to provide financial relief to cities that may be financially distressed as a result of the current state of emergency. Staff prepared the following information and summaries in response.

Loan Repayments

Staff assembled loan repayment schedule information for all borrowers with an annual loan payment due in the next five months. Tables 1 through 3 (attached). In summary:

- There are 31 loans with payments due between May 1 and September 30, 2020;
- Ticaboo Electric and Price River Water Improvement District (PRWID) payments are due in April;
- There are 7 loans with payments due in May; one of these is for a loan >\$10 million;
- There are 10 loans with payments due in June & July; one of these is for a loan >\$10 million;
- There are 14 loans with payments due in August & September; three of these are for loans >\$10 million.

Staff contacted five communities with upcoming loan repayment requirements, including one that had just made their payment. We inquired about concerns they may have in their ability to make their next payment and about other financial concerns they may be having with respect to the state of

emergency. The following communities were contacted: Perry City, Willard City, Duchesne City, Grantsville City, and PRWID. In summary:

- These communities had a low level of concern about being able to make their next loan payment.
- Two communities indicated that they have worked hard to maintain reserves.
- One community (PRWID) met with their board on April 7 to review options for providing individual relief to rate payers whom have become unemployed or have reduced income as a result of the state of emergency. They are working on a policy to allow up to three months of deferment with the understanding that they will work out a repayment plan to get caught up by the end of the year.

Community Impact Board State of Emergency Debt Relief Policy

The Community Impact Board (CIB) approved a debt relief policy at their regular meeting of April 2, 2020. This policy and the request form are provided here as Attachment 1. The essence of the policy is that a community may request debt relief in the form of payment deferral or debt reorganization and it can be provided by staff, without additional Board action. There is no provision for debt forgiveness but loan repayments can be restructured in a number of ways including a mechanism to extend the loan term.

Staff recommends that the Board consider the CIB state of emergency debt relief policy and consider enacting this or a similar policy.

Other Relevant Information

Other agencies are also proposing, recommending, and implementing relief policies and programs to assist with hardship situations resulting from the COVID-19 pandemic. USDA Rural Development has announced several assistance policies to help individuals and rural communities remain safe and secure.

The Council of Infrastructure Financing Authorities (CIFA) sent letters to congress recommending broad changes to both clean and drinking water SRF programmatic requirements to streamline the financing process for water infrastructure projects. Their letter is included with Attachment 2.

Finally, the Utah State Treasurer, David Damschen, has formed a COVID-19 [Joint Fiscal Information Team](#) (JFIT) for the state of Utah. The team will work to strengthen our collective ability to collaborate and communicate effectively and efficiently on fiscal matters stemming from this crisis, and in particular points of interaction between state and political subdivisions. As a member of this team, Erica Gaddis, will be able to share information back to the Board as discussions progress across the state.

TABLE 1: LOANS DUE APRIL – MAY 2020

Name	Loan Amount	Interest Rate	Principal Pmt	Accrued Interest
Price River Water Improvement District	\$600,000	1%	\$29,000	\$4,930
Ticaboo Electric	\$184,000	0%	\$8,000	0
Kearns Improvement District	\$3,825,000	0%	\$191,000	0
Kearns Improvement District	\$6,555,000	3%	\$299,558	\$126,964
Manila Town	\$325,000	0%	\$11,000	0
Nibley City	\$7,739,000	0%	\$260,000	0
Perry City	\$5,657,000	3%	\$311,000	\$107,792
Perry City	\$5,657,000	3%	\$311,000	\$107,792
Willard City	\$10,740,000	0%	\$273,000	0
Total	\$41,282,000		\$1,693,558	\$347,478

TABLE 2: LOANS DUE JUNE – JULY 2020

Name	Loan Amount	Interest Rate	Principal Pmt	Accrued Interest
Enterprise City	\$2,530,000	0%	\$185,000	0
North Davis Sewer District	\$21,650,000	1.98%	\$1,931,000	\$171,612
Richmond City	\$3,316,000	0%	\$171,000	0
Washington Terrace	\$835,000	2.5%	\$40,000	\$11,288
Duchesne City	\$2,700,000	0.25%	0	\$5,024
East Carbon City	\$889,000	0%	\$30,000	0
Fairview City	\$2,400,000	0%	\$80,000	0
Lindon City	\$100,000	2.5%	\$4,767	\$1,212
Lindon City	\$2,900,000	2.5%	\$138,233	\$35,134
Long Valley Sewer Improvement District	\$1,150,000	0%	\$34,000	0
Total	\$38,470,000		\$2,614,000	\$224,270

TABLE 3: LOANS DUE AUGUST – SEPTEMBER 2020

Name	Loan Amount	Interest Rate	Principal Pmt	Accrued Interest
Ashley Valley	\$391,000	0%	\$21,000	0
Grantsville City	\$4,880,000	1.75%	\$125,000	44,477
Logan City	\$70,000,000	0.75%	0	32,379
Logan City	\$20,000,000	1.5%	\$532,000	190,833
Plain City	\$3,000,000	3%	\$170,000	21,072
Stansbury Park	\$3,000,000	2.5%	\$143,000	0
West Haven Special Service District	\$6,536,000	0%	\$327,000	0
West Haven Special Service District	\$880,000	0%	\$25,000	0
West Haven Special Service District	\$5,000,000	0%	\$582,450	0
South Valley Water Reclamation Facility	\$2,010,000	2.3%	\$99,000	\$17,197
South Valley Water Reclamation Facility	\$20,100,000	2.3%	\$985,000	\$171,890
Coalville City	\$1,144,000	0%	\$57,000	0
Salina City	\$2,725,000	1%	\$148,000	\$1,598
Salina City	\$400,000	1%	\$22,000	\$251
Total	\$140,066,000		\$3,236,450	\$479,697

ATTACHMENT 1

CIB DEBT RELIEF POLICY AND APPLICATION FORM



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

**Department of
Workforce Services**

JON S. PIERPONT
Executive Director

CASEY R. CAMERON
Deputy Director

GREG PARAS
Deputy Director

**Permanent Community Impact Fund Board Policy Regarding the COVID-19
Emergency**

Utah Code Ann. §35A-8-307(4) allows the Permanent Community Impact Fund Board (CIB) to restructure all or part of a borrower's liability to repay under extenuating circumstances.

During the COVID-19 declared state emergency, and for 120 days following, the CIB will accept requests from CIB loan recipients to defer loan payments based on hardship due to the emergency. Payment deferrals may be granted for one year from the date a request is approved, with an option for another year upon further showing of hardship. A payment deferral request must be accompanied by the CIB Loan Payment Deferral Request Form and must be signed by the borrower's presiding official. A borrower's governing body must approve a loan payment deferral request.

The Board directs CIB Staff to review and grant requests for loan deferrals due to hardship.

The Board directs CIB Staff to waive the delinquent interest charge for deferred payments during the term of the payment deferral.

The Board directs CIB Staff to work with borrowers during the payment deferral period to restructure debt payments.

The Board directs CIB Staff to prepare a written report for each Board meeting detailing the total number of payment deferrals granted, the total amount of payments deferred, and the names of borrowers approved for payment deferrals.

APPROVED: this 2 day of April, 2020.

Jonathan Hardy
Chair, Permanent Community Impact Fund Board



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State of Utah

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Governor

SPENCER J. COX
Lieutenant Governor

**Department of
Workforce Services**

JON S. PIERPONT
Executive Director

CASEY R. CAMERON
Deputy Director

GREG PARAS
Deputy Director

**Permanent Community Impact Fund Board
Loan Payment Deferral Request Form - COVID-19 Emergency – FY2020-21**

Name of Borrowing Entity:*

Project:

Due Date of Annual Payment:

Amount of Annual Payment:

Loan Number :

Terms of the Agreement:

Due to the COVID-19 declared state emergency, the * is requesting one annual payment deferral for the (name of project).

As a result of this request, the debt payments may be restructured. This signed request acknowledges there may be a series of increased annual payments for the remainder of the loan or the loan may be extended to accommodate full repayment of the project funding and bonds.

It is the intent of the * to repay the entire amount of the loan in the restructured payment schedule. Delinquent interest charges for deferred payments during the term of the payment deferral will be waived.

I, the undersigned presiding official of the requesting entity agree to make future annual payments on the specified annual payment dates of the existing loan resuming one year from deferred payment as amounts state on the restructured payment schedule provided. Upon default in one year, without additional deferral, the entity will pay accrued late penalties which may be incurred on any future annual payment owed as well as the interest accrued until the entire payment due is received.

The Entity and the Permanent Community Impact Fund Board agree to the payment agreement terms listed above.

Presiding Official Signature

Date

Presiding Official Printed Name

Date

Jonathan Hardy, Housing and Community Development

Date



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ATTACHMENT 2

COUNCIL OF INFRASTRUCTURE FINANCING AUTHORITIES



March 23, 2020

The Honorable John Barrasso
Chairman
Environment and Public Works
Committee
United States Senate
410 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Thomas R. Carper
Ranking Member
Environment and Public Works
Committee
United States Senate
456 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Peter DeFazio
Chairman
Transportation & Infrastructure Committee
U.S. House of Representatives
2164 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Sam Graves
Ranking Member
Transportation & Infrastructure Committee
U.S. House of Representatives
2164 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Frank Pallone, Jr.
Chairman
Energy & Commerce Committee
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Greg Walden
Ranking Member
Energy & Commerce Committee
U.S. House of Representatives
2322 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairmen Barrasso, DeFazio and Pallone and Ranking Members Carper, Graves and Walden:

America's Clean Water and Drinking Water State Revolving Funds (SRFs) are the nation's premier programs for financing water infrastructure that protects public health and the environment. If the Congress pursues a comprehensive infrastructure package in response to the coronavirus, the SRFs are a proven federal-state partnership that can quickly, effectively and efficiently deliver federal funding for construction of water infrastructure projects to communities recovering from the current unprecedented public health emergency.

To support communities in the immediate aftermath of this crisis, the Council of Infrastructure Financing Authorities (CIFA) has identified specific measures that could accelerate the disbursement of federal funding for water infrastructure projects through the SRFs.

- I. Recommendation: Eliminate the 20% state match requirement for the 2020 capitalization grants for the Clean Water and Drinking Water SRFs.

Background: States are required to contribute 20% of the capitalization grant for the SRFs to be awarded federal funding. State contributions must be deposited into the SRF account before federal funding is released. The America Recovery and Reinvestment Act of 2009 didn't require state match because of concern that the requirement could delay deployment of federal funds.

Benefit: Eliminating the state match will help states dealing with a sudden loss of tax revenue or inability to access financing for state match through the municipal bond market, ensuring federal funding for SRF subsidized loans for water infrastructure projects is available as soon as possible.

- II. Recommendation: Ensure Principal Forgiveness continues to be an eligible form of additional subsidization for both the Clean Water and Drinking Water SRFs.

Background: Additional subsidization is funding that doesn't need to be repaid. Additional subsidization comes in three forms – Principal Forgiveness, grants and negative interest loans. All states use Principal Forgiveness which works the same as a grant but without the additional federal grant requirements associated with federally funded projects, such as those funded by the capitalization grant. Compliance with these additional federal requirements increases the administrative cost of loans without increasing protection for public health or the environment. Additionally, some states, like Oklahoma and Washington, prohibit the use of grants by the SRFs.

Benefit: Ensuring Principal Forgiveness is an eligible form of additional subsidization ensures all states will be able to access federal funding for the SRFs and reduces the paperwork burden for loan recipients while maintaining protection for the public health and the environment.

- III. Recommendation: Increase flexibility for the use of additional subsidization, which includes Principal Forgiveness, grants and negative interest loans, by SRFs. Specifically,
- Eliminate the federally mandated minimum on additional subsidization, which is 10% of the capitalization grant for the Clean Water SRF and 20% of the capitalization grant for the Drinking Water SRF.
 - Raise the federally mandated cap on additional subsidization from 30% to 50% for both the Clean Water and Drinking Water SRFs and allow all applicants to be eligible for additional subsidization.

Background: The 2020 Appropriations Act allows all eligible SRF applicants to be eligible for federally mandated additional subsidization while the Clean Water Act and Safe Drinking Water Act limit eligibility for option additional subsidization (30%) based on affordability criteria.

Additional subsidization is an important tool to help communities build water infrastructure projects that wouldn't otherwise be undertaken. However, additional subsidization also reduces the total number of water infrastructure projects that can be funded by the federal capitalization grant.

Many states provide state grants to complement the SRF subsidized loans and could benefit from the ability to provide more subsidized loans rather than more additional subsidization. Conversely, other states are currently using the maximum allowed additional subsidization for one or both programs so maintaining the total level of additional subsidization is critical.

Benefit: Providing flexibility for additional subsidization and allowing all SRF applicants to be eligible for additional subsidization allows states to help communities in need, whether it's funding more water infrastructure projects or providing more financial support to fewer water infrastructure projects.

IV. Recommendation: Suspend the following requirements on water infrastructure projects funded by SRFs:

- Architectural and Engineering Procurement
- Cost-and-Effectiveness Analysis and Certifications (Clean Water SRF)
- Fiscal Sustainability Plans and Certifications (Clean Water SRF)

Background: Since 2014, Clean Water SRF loans, including loans made with 100% state funds, have required recipients to conduct a cost-and-effectiveness analysis and develop a fiscal sustainability plan for all treatment works projects, including replacement of pipes and rehabilitation of minor components. Also, water infrastructure projects that are federally funded are required to use the federal procurement process for architectural and engineering services which can delay projects in states with a different procurement approach. Some states don't fund architectural and engineering services with federal funding because of this requirement.

Benefit: Eliminating the federal mandates and allowing SRF managers to determine appropriate requirements for each SRF loan could accelerate the application and approval process for the vast majority of SRF projects, while maintaining protection for public health and the environment. Small communities are likely to experience the greatest benefit from this regulatory relief.

V. Recommendation: Waive the requirement that 10% of the Clean Water SRF capitalization grant be used for the Green Project Reserve.

Background: The 2020 Consolidated Appropriations Act requires Clean Water SRFs to allocate 10% of the capitalization grant for green infrastructure or energy and water conservation projects. Green infrastructure projects are a priority in many states and those projects will continue to be funded. However, to meet this requirement, some SRFs must use additional subsidization, primarily Principal Forgiveness, that would otherwise be used to address affordability.

Benefit: Allowing SRFs to determine the projects that are funded will ensure the highest priorities are met and additional subsidization is maximized, particularly during these challenging times.

- VI. Recommendation: Require the U.S. Department of Labor (DOL) to adopt state prevailing wages for heavy construction, just like they do for highway construction.

Background: 26 states have state prevailing wage laws. According to its Inspector General, the U.S. Department of Labor adopts state prevailing wages for highway construction but not for other types of construction, including heavy construction which encompasses most water infrastructure projects.

Benefit: Adopting state prevailing wages for heavy construction, just like for highway construction, will streamline the procurement process for water infrastructure projects funded by SRFs.

- VII. Recommendation: Maintain the requirement to pay federal prevailing wages but allow states with state prevailing wage laws to be considered in compliance with the federal Davis Bacon Act for water infrastructure projects that receive federal funding, including subsidized loans from the SRFs and WIFIA.

Background: Since 2009, all SRF loans, including loans made with 100% state funds, have required recipients to ensure mechanics and laborers on water infrastructure projects are paid the prevailing federal wage. Compliance with both federal and state law is duplicative and adds to the administrative cost of water infrastructure projects without providing additional benefits to workers.

Benefit: Allowing compliance reciprocity, coupled with the federal adoption of state prevailing wages, will significantly reduce the burden and cost of compliance for water infrastructure projects, while ensuring workers are paid the required wages.

- VIII. Recommendation: Maintain the requirement to pay federal prevailing wages but allow states without state prevailing wage laws to develop their own procedures for compliance with the federal Davis Bacon Act, just like they do with NEPA, for water infrastructure projects that receive federal funding, including subsidized loans from the SRFs and WIFIA.

Background: The Federal Water Pollution Control Act Section 602(b)(6) appears to provide the same flexibility for compliance with Davis Bacon as it does for NEPA. For more than 30 years, federal law has allowed SRFs to develop their own procedures, "as determined by the Governor of the State," to comply with NEPA. However, SRF loan recipients are instead required to comply with prescriptive federal compliance procedures, which can be complex and burdensome.

"(6) treatment works eligible under this Act which will be constructed in whole or in part with assistance made available by a State water pollution control revolving fund authorized under this title, or section 205(m) of this Act, or both, will meet the requirements of, or otherwise be treated (as determined by the Governor of the State) under sections 511(c)(1) and 513 of this Act in the same manner as treatment works constructed with assistance under title II of this Act."

Benefit: Maintaining the requirement to pay federal prevailing wages but allowing the Governor of the State to develop state compliance procedures consistent with the federal Davis Bacon law, just like NEPA, can reduce the cost and burden of paperwork and procedures, while still ensuring workers are paid the required wages.

- IX. Recommendation: Allow the U.S. Environmental Protection (EPA) to immediately issue the Notice of Funding Availability (NOFA) for the 2020 appropriation of the Water Infrastructure Finance and Innovation Act (WIFIA).

Background: The 2020 Consolidated Appropriations Act provides \$55 million for WIFIA, including \$5 million for SRFs, which could provide as much as \$5.5 billion in loans for water infrastructure projects. However, it also requires EPA, the U.S. Treasury and the Office of Management and Budget to agree on the definition of a federal project before issuing the NOFA for the 2020 appropriation for WIFIA.

Benefit: Issuing the NOFA now can expedite the process of awarding WIFIA loans, which could move up the timetable for construction of water infrastructure projects.

- X. Recommendation: Require the EPA to accept the State Environmental Review Process (SERP) in lieu of a determination required by the National Environment Policy Act (NEPA) for projects funded through WIFIA.

Background: Two environmental reviews – SERP and NEPA – are currently required for SRFs that apply to WIFIA and projects co-funded by WIFIA and SRFs. The EPA has accepted the SERP in lieu of a NEPA determination for SRF projects since the Clean Water SRF was established more than three decades ago. In fact, federal law explicitly allows for states to “apply its own “NEPA-like” SERP for conducting environmental reviews.” To ensure the SRF process aligns to NEPA, federal law defines the elements that must be included in the SERP and EPA must approve each SERP before awarding the annual federal capitalization grant.

Benefit: Eliminating duplicative environmental reviews for WIFIA applicants will significantly expedite the application and approval process, while maintaining protection for public health and the environment.

- XI. Recommendation: Require all agencies across the federal government to accept the SERP in lieu of a NEPA determination for all projects co-funded by an SRF.

Background: Like WIFIA, other federal agencies, including the Federal Emergency Management Agency (FEMA), require a NEPA determination, in addition to a SERP, for projects co-funded by an SRF.

Benefit: Eliminating duplicative environmental reviews will expedite the application and approval process for federally funded projects, while maintaining protection for public health and the environment.

Finally, one-third of SRFs rely on tax-exempt municipal bonds to leverage their programs and increase funding for water infrastructure projects. In the event that the public finance market continues to be unable to provide that funding, access to loans through the WIFIA program for may be an alternative form of financing for SRFs.

Thank you in advance for your consideration. If you have any questions or need more information, please contact our Executive Director, Deirdre Finn, at dfinn@cifanet.org or (850) 445-9619.

Sincerely,



Kim Colson, CIFA President
Director, Division of Water Infrastructure
North Carolina Department of Environmental Quality

About CIFA

CIFA is a national not-for-profit organization that represents state government agencies, including financing authorities and departments of health and environmental protection, that manage the Clean Water and Drinking Water State Revolving Funds.

Executive Director: Deirdre Finn

Board of Directors, Officers:

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- Jim McGoff, Indiana Financing Authority, Vice President
- Jeff Walker, Texas Water Development Board, Treasurer
- Angela Knecht, Florida Department of Environmental Protection, Secretary
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- EPA Region 2: David Zimmer, New Jersey Infrastructure Bank
- EPA Region 3: Brion Johnson, PENNVEST
- EPA Region 6: Lori Johnson, Oklahoma Water Resources Board
- EPA Region 5: Jerry Rouch, Ohio Environmental Protection Agency
- EPA Region 7: William Carr, Kansas Department of Health and the Environment
- EPA Region 8: Mike Perkovich, South Dakota Department of Environment & Natural Resources
- EPA Region 9: Lance Reese, California State Water Resources Control Board
- EPA Region 10: Jeff Nejedly, Washington State Department of Ecology
- Financial Community: Anne Burger Entekin, Hilltop Securities



State of Utah

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Governor

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Lieutenant Governor

Department of
Environmental Quality

L. Scott Baird
Executive Director

DIVISION OF WATER QUALITY
Erica Brown Gaddis, PhD
Director

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L. Scott Baird
Emily Niehaus
James Webb
Dr. James VanDerslice
Dr. Erica Brown Gaddis
Executive Secretary

TO: Water Quality Board

THROUGH: Erica Brown Gaddis, PhD
John K Mackey, P.E.

FROM: Ken Hoffman, P.E.

DATE: April 22, 2020

SUBJECT: Provo MBR Project Update

At the December 3, 2018 Utah Water Quality Board (Board) meeting, Provo requested \$120 million in funding assistance with a local contribution of \$30 million to construct Phase 1 of 2 of a \$240 million overall project. The staff feasibility report that was provided to the Board at that time with a request for loan authorization is included in Attachment 1 for reference. This memo provides an update on the Provo Membrane Bioreactor (MBR) Project for which the Board authorized a \$77.8 million loan, including \$2 million in principal forgiveness, with an interest rate of 0.5% and a term of 20 years.

Based on Provo's most current capital facilities plan, this project will require replacement of the liquid stream treatment process in two separate phases instead of one, as contemplated previously. Under the current plan, the existing facilities will be replaced in three construction phases: Phase 1 - Secondary Treatment Upgrades and Collections, Phase 2 - Primary Treatment Upgrades, and Phase 3 - Biosolids Upgrades. Additional construction for future capacity expansion is also contemplated in the plan. The first phase of construction, Secondary Treatment Upgrade Phase, will replace the secondary processes, but the existing headworks and primary treatment processes will remain in service for approximately 7 years until Provo can generate the necessary funds for this upgrade and for Phase 2, the Primary Treatment Upgrade Phase. It is anticipated that separating the Secondary and Primary Treatment Upgrades into separate phases (now Phase 1 and Phase 2) will result in an additional \$5,000,000 cost due to the need for temporary facilities and cost escalation. Figure 1 is a map of the facility showing how the proposed upgrades will be phased.

The major component of the **Secondary Treatment Upgrade Phase** is the construction of three bioreactors for the MBR system. The bioreactors will consist of return activated sludge (RAS) fermentation, anaerobic, anoxic, and aerobic zones that will promote the microbial removal of solids, organics, nutrients and other wastewater constituents. A fine screen facility is required upstream of the membranes to protect them from damage caused by small debris accumulation. The fine screen facility will be placed downstream of the existing primary clarifiers. To promote the removal of phosphorus from the plant and to prevent struvite scaling, a struvite management system will be added to the existing solids stream process. In addition, the plant's four existing aeration basins will be repurposed for use as equalization/surge basins to support the stable operation of the system. Last, the plant's existing blower building will be decommissioned, and a new blower building will be constructed to provide air for the biological process and membrane scouring. Permeate from the membrane system will be conveyed to the existing UV disinfection facility for disinfection, as was previously planned. The existing coarse screening, grit removal, and primary clarification facilities will continue to be used. The solids processing

facilities will be refurbished as necessary for continued use, including the primary sludge pump station, primary and secondary digesters, dissolved air floatation thickening (DAFT), and dewatering facility.

The **Primary Treatment Upgrades Phase (Phase 2)** will decommission the existing influent junction structure, headworks, primary clarifiers, and primary sludge pumping station. A new operations building will be constructed and the old one abandoned. A new influent junction structure will be constructed, which will receive the sanitary sewer flow that was formerly received by the existing influent junction box. New coarse screens and grit removal facilities will be constructed. Piping will be installed to convey flow from the plant lift station and new influent junction structure to the new headworks facilities. The primary clarifiers will be replaced by a primary screening facility. Screened influent will flow to the bioreactors as before.

The **Biosolids Treatment Upgrade Phase (Phase 3)** will include decommission of the existing solids handling facilities. New solids handling facilities will include the addition of gravity sludge tanks (GST), DAF Thickener, Centrate Pump Station, GST and DAFT Pump Station, Digesters and Digester Building, Solids Holding Tank and Sludge Transfer Station.

A future capacity expansion phase will be conducted as needed. It is anticipated that two additional bioreactors will be required to meet the 2060 estimated build out capacity of the Provo City service area.

Below is a comparison of the costs of the change in Project Planning and the estimated year the project would be completed. Overall staff sees no change in the overall project. The delay of Primary Treatment Upgrades is expected to cost the community an additional \$5,000,000. The construction of the new MBR secondary treatment during Secondary Treatment Upgrades will still produce a high quality effluent by 2025.

Planning Date	WQB Authorization (December 2018)	December 2019		
Project(s)	Primary & Secondary Treatment and Collections	Secondary Treatment and Collections	Primary Treatment	Biosolids & Capacity Expansion
Construction Completion	2023	2024	2031	2036-2050
Legal/Bonding	\$50,000	\$50,000		
DWQ Loan Origination	\$1,212,000	\$1,212,000		
Engineering, CMS	\$9,100,000	\$10,700,000	\$3,770,000	\$12,520,000
Construction - Treatment Plant	\$81,200,000	\$82,980,000	\$29,020,000	\$96,330,000
Construction - Pump Stations	\$6,000,000	\$10,700,000		
Construction - Interceptor Sewers	\$27,000,000	\$32,380,000	\$3,370,000	
Collection System Rehab	\$6,000,000	\$7,110,000		
Contingency	\$20,700,000	\$31,220,000	\$9,720,000	\$28,900,000
Total Estimated Expenditure	\$151,262,000	\$176,352,000	\$45,880,000	\$137,750,000
Funding				
Utah SRF - Treatment Plant	\$77,800,000	\$77,800,001	\$0	
City	\$73,462,000	\$98,551,999	\$45,880,000	\$137,750,000

ATTACHMENT 1

Provo City Authorization Report

Date Received: Sept. 26, 2018
Date to be presented to the WQB: December 3, 2018

**WATER QUALITY BOARD
FEASIBILITY REPORT FOR WASTEWATER TREATMENT PROJECT
AUTHORIZATION**

APPLICANT: Provo City
351 West Center
Provo, UT 84601
Telephone: (801) 852-7105

PRESIDING OFFICIAL: Mayor Michelle Kaufusi

TREASURER/RECORDER: Dan Follett/Amanda Ercanbrack

CONSULTING ENGINEER: Cory Christiansen, P.E. (for planning)
Waterworks Engineering
672 West 220 South, Bldg A
Pleasant Grove, UT 84062
(801) 785-4105

BOND COUNSEL: Eric Hunter
Chapman and Cutler
215 South State Street
Salt Lake City, UT 84111
(801) 536-1441

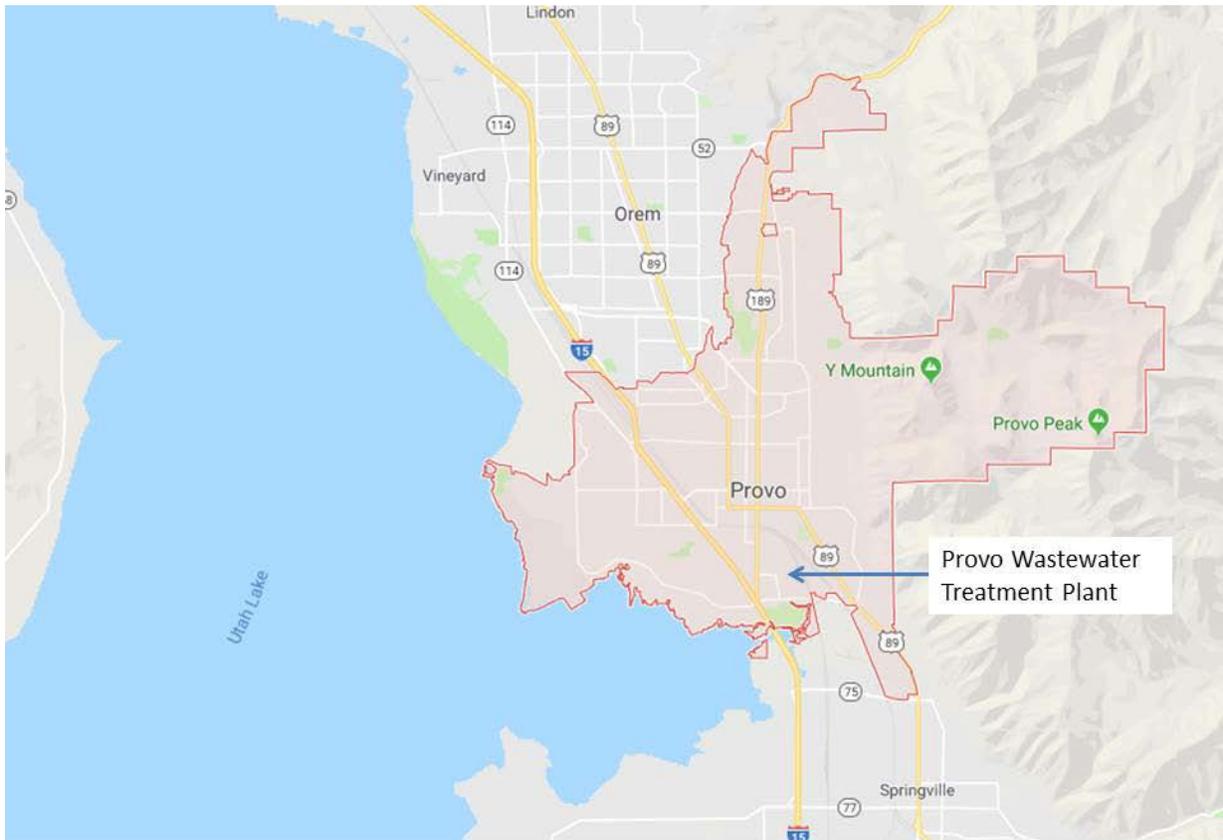
APPLICANT'S REQUEST:

Provo City is requesting a construction loan from the Utah Water Quality Board in the amount of \$121,262,000 for construction of a new water reclamation plant.

APPLICANT'S LOCATION:

Provo City is located in Utah County on the eastern shore of Utah Lake. Provo's current treatment plant is located on the southern border near Provo Bay at 1685 South East Bay Boulevard.

MAP OF APPLICANT'S LOCATION



BACKGROUND:

The Provo City water reclamation facility treats an average flow of 12 MGD and serves a population of 116,868. The facility is designed for an average flow of 21 MGD and a design equivalent population of 160,000. The current treatment plant was built in the 1950's and was upgraded in 1978. In 1998, the tertiary filters were rehabilitated and permanent dechlorination facilities were operational in 1999.

The City has determined that the existing treatment plant would require major upgrades to maintain operations and has determined that a new treatment plant would best serve the City's long-term needs. Building a new plant with best available technology would meet not only the State's phosphorus (TBPEL) regulations but also anticipated future regulations. Seismic safety and other concerns with the old infrastructure would also be addressed with this new facility. The City is also considering aquifer recharge or other reuse of its treated effluent. Utah County is one of the fastest growing parts of the state and Provo City aims to have updated infrastructure in place to accommodate this growth.

The City also owns and operates its own wastewater collection system and maintains biosolids, pretreatment, and multi-sector stormwater permits for the water reclamation facility and a permit

for the City's municipal separate storm sewer system (MS4) program.

Provo City is currently in compliance with all UPDES permits associated with the Provo City Water Reclamation Facility including discharge, biosolids, pretreatment, and storm water. DWQ is working with the City to address several deficiencies in the municipal separate storm sewer system (MS4) program.

PROJECT NEED:

Provo currently discharges to Mill Race which flows to Provo Bay in Utah Lake. Utah Lake is listed on the 2016 Integrated Report: Lakes and Reservoirs 305(b) and 303(d) for harmful algal blooms, total dissolved solids, total phosphorus, and PCB in fish tissue. In addition, Provo Bay is listed for pH, total phosphorus, total ammonia and PCB in fish tissue. The improvement in effluent water quality from this project would significantly improve the water quality discharged from the reclamation facility and in turn the water quality of Provo Bay and Utah Lake.

PROJECT DESCRIPTION:

Provo City is proposing to construct a new treatment plant, replacing its existing works. The project will include Administration/Operations building, Influent pumping, Screening and grit removal, Primary treatment (dependent on selection of secondary process), Secondary treatment including biological nutrient removal, Filtration, UV disinfection, Solids digestion, Solids thickening and dewatering, Phosphorus and ammonia side stream treatment (dependent on digestion and dewatering processes), Ancillary support structures. The City also proposes to construct 3 miles of new interceptor sewer / force main for improved service to the City's growing west side. Provo continues to engage other nearby cities to fully evaluate regionalization opportunities.

The proposed project is Phase 1 of a two phase program being planned by the City. The City is currently soliciting proposals to engage a design team for Phase 1. Phase 2 addresses long term, buildout conditions and needs.

ALTERNATIVES EVALUATED:

Alternative	Description	Estimated Cost
1	Do Nothing	Not a Feasible Alternative
2	Upgrade Current Plant	\$59,000,000
3	New Facility – Phased Implementation	\$150,000,000
	New Facility Phase II (2031 construction)	\$90,000,000
4	New Plant 24 mgd	\$224,500,000

Provo City Council has directed its staff to pursue construction of a new facility with phased implementation (Alternative 3). The City continues to evaluate its options within this alternative to achieve the most cost effective long term solution for its growth and water quality protection.

POSITION ON PROJECT PRIORITY LIST:

This project is ranked 2nd out of 10 projects on the Wastewater Treatment Project Priority List.

POPULATION GROWTH:

There are an estimated 30,490 ERUs in Provo City's service area. The following populations for Provo City are taken from Utah Governor's Office of Management and Budget (GOMB) and Zion Public Finance.

Year	Population
2016	116,868
Estimated 2020	138,143
Estimated 2035	164,786
Estimated 2050	190,000

PUBLIC PARTICIPATION AND DEMONSTRATION OF PUBLIC SUPPORT:

Provo City Council has held work sessions and public meetings to discuss the proposed project and has resolved to advance the project and request financial assistance from the Water Quality Board.

EFFORTS TO SECURE FINANCING FROM OTHER SOURCES:

Provo City does not qualify for Community Impact Board (CIB) or US Rural Development funding. Provo City is investigating funding the additional needed funding for their aquifer storage and recharge project from State of Utah Division of Drinking Water.

IMPLEMENTATION SCHEDULE:

The proposed schedule for implementation of the Phase 1 construction project is as follows:

WQB Introduction	October 24, 2018
WQB Funding Authorization:	December 03, 2018
Start Construction	2020
Complete Construction	Fall 2023

FISCAL SUSTAINABILITY REVIEW:

Provo City participates in MWPP self-assessment and is pursuing updating their Capital Facility Plan and doing an impact fee study. The anticipated cost of the project to system users will be among the highest in the state if not the highest and clearly exceeding the Board's 1.4 percent MAGI threshold. The City has about \$1.03 billion in available general obligation (GO) borrowing capacity and only about \$35 million in outstanding GO debt.

APPLICANT’S CURRENT USER CHARGE:

The 2016 median adjusted gross income (MAGI) for Provo City is \$28,606, which is 35 percent lower than the state average of \$44,268. Based on the Board’s affordability criterion of 1.4% MAGI, the maximum affordable sewer bill for Provo City is \$33.37.

Provo City uses a progressive rate structure wherein sewer service fees are calculated based on a base rate plus a winter-time water usage commodity charge. Based on their FY2017 Comprehensive Annual Report sewer revenues and 30,490 ERU, the City’s current average sewer bill is about \$25.98 per month per ERU or 1.09 percent of MAGI. Effective in FY2018, the City increased its base rate 19 percent and its commodity charge 36 percent for residential users. This increase will result in an average sewer bill of roughly \$33.12 per month or 1.39 percent of MAGI. Provo is currently conducting an impact fee study; the last impact fee study was completed in 2013.

Provo City expects to again increase rates in FY2019 to an average of \$48.13 per month or 2.02 percent of MAGI. At current cost of operation, the City would generate \$10 million per year for current and future capital improvement projects.

COST ESTIMATE:

The estimated cost of Provo City’s new treatment plant construction is outlined in the following table.

Item	Funded Project Cost
Legal/Bonding	\$ 50,000
DWQ Loan Origination	\$ 1,212,000
Engineering, CMS	\$ 9,100,000
Construction – Treatment Plant	\$ 81,200,000
Construction - Pump Stations	\$ 6,000,000
Construction - Interceptor Sewers	\$ 27,000,000
Collection System Rehab	\$ 6,000,000
Contingency	\$ 20,700,000
Total	\$ 151,262,000

In addition, to the described project, Provo will have an additional Phase II of the project in approximately 2031 for an additional \$90,000,000. Provo hopes to pay for this Phase II using a pay as you go model and save capital to pay for this with cash reserves generated between 2025 and 2031.

COST SHARING:

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
Local Contribution (cash)	\$ 30,000,000	20%
WQB Loan	\$ 121,262,000	80%
Total	\$ 151,262,000	100%

ESTIMATED ANNUAL COST FOR SEWER SERVICE:

Staff developed cost models to evaluate several financing alternatives for the project. The basic cost model data used in modeling financial alternatives for the project are provided below:

Operations and Maintenance (O&M) – Annual \$10,040,000
Existing Debt – Annual \$660,000
Weighted Median Adjusted Gross Household Income (2016) \$28,606
Weighted Maximum Affordable Sewer Rate at 1.4 % MAGI \$33.37

The static model financing alternatives considered are given in Attachment 1. The static cost model shows that the required user rates will be above the Board’s affordability criterion of 1.4% of MAGI. Current market rates index as follows:

US 20-year Treasury Bond ¹	3.35%
US 30-year Treasury Bond ¹	3.25%
MBIS Municipal Bond Index, 20-year ²	3.524%

1. U.S. Department of The Treasury <https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield>
2. EMMA Municipal Securities and Rulemaking Board. <https://emma.msrb.org/ToolsAndResources/MarketIndicators>

Staff prepared a cost model for evaluation of possible loan terms and affordability. Static Model 1 (Attachment 1) presents a conventional 20 years loan approach that is typical of what the Board usually sees. This model shows that for the proposed \$121 million loan, average user rates would exceed 2 percent of the 2016 MAGI.

The City has proposed a financing plan under which it will increase sewer rates to annually generate capital improvement revenues. These capital improvement funds will be used to accelerate loan repayments as well as to self-fund asset management and ongoing capital improvements through Phase 2 of the City’s overall capital facilities plan. This financing plan from the City is based on a 15 year loan term and a \$13 million per year annual capital expenditures cost item. In this financing plan the monthly average sewer rates would exceed \$91.50 per month per user or 3.8 percent of MAGI.

Both of these financing plans would require user rates well above the Board’s affordability criterion of 1.4% of MAGI. Based on this, Provo City has requested the Board be as aggressive as possible with a low interest rate to help the project be affordable.

STAFF COMMENTS:

Staff supports the Provo treatment plant construction project. It is an important water quality project that will enable Provo to meet and exceed the new TBPEL requirement, reduce phosphorus and nitrogen discharges to the impaired Utah Lake, and provide cost effective and efficient service to a large and growing population service area in the state.

Staff recommends the Board consider a loan interest rate based on the following discounting factors. The 20-year market loan rate is 3.53 percent based on the MBIS Municipal Bond Index which is 0.26% above the 20-year US Treasury bond. Note that 1 percent interest on a \$121,000,000 loan is \$13.1 million in interest earned over a 20 year term.

Market Rate (20 year basis)		3.53 %
Discount Factors:	Maximum Discount	Recommended Discount
Economic Hardship	3.53 %	2.23 %
Other Hardship	1.0 %	--
SRF Programmatic Costs	1.0 %	0.5 %
Fiscal Sustainability Credit	0.5 %	0.25 %
Green Project Reserve	0.5 %	--
Regionalization	0.25 %	--
Recommended Interest Rate		0.55%

Although Provo City is requesting \$121,262,000 in financial assistance from the Water Quality Board, staff has determined that, to continue to support other important water quality projects in the state and maintain positive fund balances through the critical construction period, the board is not able to fully fund this large project. In discussions with the board, Provo City, and other applicants, the maximum funding available to support the project on Provo's schedule is \$77,800,000. Provo City has agreed (in concept) to fund the remainder of this portion of the project, as well as the remainder of the \$151 million phase of the project through public market and other financing.

<u>Funding Source</u>	<u>Cost Sharing</u>	<u>Percent of Project</u>
Provo Other Funding Sources	\$73,462,000	48.6%
WQB (Loan to Provo)	\$75,800,000	50.1%
Principal Forgiveness	\$2,000,000	1.3%
Total	\$151,262,000	100%

Provo City will need to bond for the additional funds on the public market. Assuming the additional funds will be obtained with an interest rate of 3.5 percent, the overall interest rate for Provo City will increase by 0.87% to cover the added cost for the \$43 million that is being added to the market financing package. The resulting weighted interest rate for the entire \$151 million bond package would become 2.04% instead of 1.17%, were the Board able to fund the requested \$121 million at 0.55%.

Reducing the interest rate to 0.5% and including \$2,000,000 of principal forgiveness for Provo on the reduced loan would result in a 1.90% weighted interest rate for their entire financing package. A cost model based on the reduced funding amount is shown in Attachment 2, including a weighted interest rate based on the WQB loan and increase in market financing required.

The table below shows a comparison between the requested funding and the funding provided by the reduced WQB funding amounts.

Financing	WQB Funding @ Int. Rate	Initial Market Funding @ Int. Rate ²	Additional Market Funding @ Int. Rate ²	Weighted Interest Rate
Requested	\$121,361,000 @ 0.55%	\$30,000,000 @ 3.5%	\$0 @ 3.5%	1.17%
Recommended	\$75,800,000 @ 0.50% PF ¹ \$2,000,000	\$30,000,000 @ 3.5%	\$43,128,000 @ 3.5%	1.90%

¹PF – Principal Forgiveness

²Note: The calculations presented in this table are based on current market interest rates. DWQ staff recognize that interest rates are currently rising and may be as high as 4 – 5% at the time that Provo City applies for a market loan.

STAFF RECOMMENDATION:

Staff recommends that the Board authorize funding to Provo of **\$2,000,000 in principal forgiveness and a loan of \$75,800,000 at an interest rate of 0.5% repayable over 20 years with an adjusted amortization schedule with principal payments not to exceed \$50,000/year until 2027, and then amortized over the remaining term of the loan.** Subject to the following special conditions:

1. Provo must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).
2. Provo must pursue and retain remaining funding necessary to fully implement the project.
3. Provo must develop and implement an asset management program that is consistent with EPA’s Fiscal Sustainability Plan guidance.

ATTACHMENT 1
Provo - Water Quality Board
 20 Year Loan Static Cost Model

Project Costs	Total
Loan Origination Fee	\$ 1,211,000
Financing Process Costs	\$ 150,000
Engineering	\$ 9,100,000
Construction	\$ 120,200,000
Contingency (~15%)	\$ 20,700,000
Total Project Cost:	\$ 151,361,000

Current Customer Base & User Charges	
Total ERU's (Projected 2020)	\$ 30,490
Weighted Average MAGI (2016):	\$ 28,606
Affordable Monthly Rate at 1.4%	\$ 33.37
Current Impact Fee	
Current Average Monthly Fee (per ERU)	\$ 48.13
Existing O&M expenses Treatment & Collection	\$ 10,040,000
New O&M expenses Treatment	\$ 9,740,000
Existing Sewer Debt Service	\$ 660,000

Project Funding	
Publicly issued bonds @ 3.5%	\$ 30,000,000
Additional bonds @ 3.5%	\$ -
WQB Loan	\$ 121,361,000
Principal Forgiveness	-
Total Project Cost:	\$ 151,361,000

Funding Conditions	
Loan Repayment Term:	20
Reserve Funding Period:	6

ESTIMATED COST OF SEWER SERVICE

WQB Loan Amount	WQB Loan Interest Rate	Annual WQB Loan Debt Service	WQB Loan Reserve	WQB Debt Service & Loan Reserves	Required other new Debt Service Payments*	Weighted Interest Rate for Project	Existing Debt Payments	Annual Sewer O&M Cost	Total Annual Sewer Cost	Monthly Treatment Cost/ERU	Sewer Cost as a % of MAGI
\$ -		\$ -	\$ -	\$ -	\$ -		\$ 660,000	\$ 9,740,000	\$ 10,400,000	\$ 28.42	1.19%
\$ 121,361,000	0.00%	\$ 6,068,050	\$ 1,517,013	\$ 7,585,063	\$ 2,110,832	0.75%	\$ 660,000	\$ 9,740,000	\$ 20,095,895	\$ 54.92	2.30%
\$ 121,361,000	0.25%	\$ 6,228,596	\$ 1,557,149	\$ 7,785,745	\$ 2,110,832	0.94%	\$ 660,000	\$ 9,740,000	\$ 20,296,577	\$ 55.47	2.33%
\$ 121,361,000	0.55%	\$ 6,424,565	\$ 1,606,141	\$ 8,030,707	\$ 2,110,832	1.17%	\$ 660,000	\$ 9,740,000	\$ 20,541,539	\$ 56.14	2.36%
\$ 121,361,000	0.80%	\$ 6,590,622	\$ 1,647,656	\$ 8,238,278	\$ 2,110,832	1.36%	\$ 660,000	\$ 9,740,000	\$ 20,749,110	\$ 56.71	2.38%
\$ 121,361,000	1.05%	\$ 6,759,165	\$ 1,689,791	\$ 8,448,956	\$ 2,110,832	1.56%	\$ 660,000	\$ 9,740,000	\$ 20,959,788	\$ 57.29	2.40%
\$ 121,361,000	1.30%	\$ 6,930,179	\$ 1,732,545	\$ 8,662,724	\$ 2,110,832	1.75%	\$ 660,000	\$ 9,740,000	\$ 21,173,556	\$ 57.87	2.43%
\$ 121,361,000	1.55%	\$ 7,103,651	\$ 1,775,913	\$ 8,879,564	\$ 2,110,832	1.95%	\$ 660,000	\$ 9,740,000	\$ 21,390,396	\$ 58.46	2.45%
\$ 121,361,000	1.80%	\$ 7,279,564	\$ 1,819,891	\$ 9,099,455	\$ 2,110,832	2.14%	\$ 660,000	\$ 9,740,000	\$ 21,610,287	\$ 59.06	2.48%
\$ 121,361,000	2.05%	\$ 7,457,901	\$ 1,864,475	\$ 9,322,376	\$ 2,110,832	1.64%	\$ 660,000	\$ 9,740,000	\$ 21,833,209	\$ 59.67	2.50%

*3.5% interest rate used for estimating other new debt service

ATTACHMENT 2
Provo - Water Quality Board
 20 Year Loan Static Cost Model

Project Costs		Total
Loan Origination Fee	\$	778,000
Financing Process Costs	\$	150,000
Engineering	\$	9,100,000
Construction	\$	120,200,000
Contingency (~15%)	\$	20,700,000
Total Project Cost:	\$	150,928,000

Current Customer Base & User Charges	
Total ERU's (Projected 2020)	\$ 30,490
Weighted Average MAGI (2016):	\$ 28,606
Affordable Monthly Rate at 1.4%	\$ 33.37
Current Impact Fee	
Current Average Monthly Fee (per ERU)	\$ 48.13
Existing O&M expenses Treatment & Collection	\$ 10,040,000
New O&M expenses Treatment	\$ 9,740,000
Existing Sewer Debt Service	\$ 660,000

Project Funding	
Publicly issued bonds @ 3.5%	\$ 30,000,000
Additional bonds @ 3.5%	\$ 43,128,000
WQB Loan	\$ 75,800,000
Principal Forgiveness	2,000,000
Total Project Cost:	\$ 150,928,000

Funding Conditions	
Loan Repayment Term:	20
Reserve Funding Period:	6

ESTIMATED COST OF SEWER SERVICE

WQB Loan Amount	WQB Loan Interest Rate	Annual WQB Loan Debt Service	WQB Loan Reserve	WQB Debt Service & Loan Reserves	Required other new Debt Service Payments*	Weighted Interest Rate for Project	Existing Debt Payments	Annual Sewer O&M Cost	Total Annual Sewer Cost	Monthly Treatment Cost/ERU	Sewer Cost as a % of MAGI
\$ -		\$ -	\$ -	\$ -			\$ 660,000	\$ 9,740,000	\$ 10,400,000	\$ 28.42	1.19%
\$ 75,800,000	0.00%	\$ 3,790,000	\$ 947,500	\$ 4,737,500	\$ 5,145,365	1.67%	\$ 660,000	\$ 9,740,000	\$ 20,282,865	\$ 55.44	2.33%
\$ 75,800,000	0.25%	\$ 3,890,274	\$ 972,569	\$ 4,862,843	\$ 5,145,365	1.79%	\$ 660,000	\$ 9,740,000	\$ 20,408,207	\$ 55.78	2.34%
\$ 75,800,000	0.50%	\$ 3,992,117	\$ 998,029	\$ 4,990,146	\$ 5,145,365	1.90%	\$ 660,000	\$ 9,740,000	\$ 20,535,511	\$ 56.13	2.35%
\$ 75,800,000	0.75%	\$ 4,095,522	\$ 1,023,880	\$ 5,119,402	\$ 5,145,365	2.02%	\$ 660,000	\$ 9,740,000	\$ 20,664,767	\$ 56.48	2.37%
\$ 75,800,000	1.00%	\$ 4,200,481	\$ 1,050,120	\$ 5,250,601	\$ 5,145,365	2.13%	\$ 660,000	\$ 9,740,000	\$ 20,795,966	\$ 56.84	2.38%
\$ 75,800,000	1.25%	\$ 4,306,986	\$ 1,076,746	\$ 5,383,732	\$ 5,145,365	2.25%	\$ 660,000	\$ 9,740,000	\$ 20,929,097	\$ 57.20	2.40%
\$ 75,800,000	1.50%	\$ 4,415,027	\$ 1,103,757	\$ 5,518,783	\$ 5,145,365	2.37%	\$ 660,000	\$ 9,740,000	\$ 21,064,148	\$ 57.57	2.42%
\$ 75,800,000	1.75%	\$ 4,524,595	\$ 1,131,149	\$ 5,655,744	\$ 5,145,365	2.49%	\$ 660,000	\$ 9,740,000	\$ 21,201,108	\$ 57.95	2.43%
\$ 75,800,000	2.00%	\$ 4,635,679	\$ 1,158,920	\$ 5,794,599	\$ 5,145,365	2.61%	\$ 660,000	\$ 9,740,000	\$ 21,339,964	\$ 58.33	2.45%

*3.5% interest rate used for estimating other new debt service



State of Utah

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Governor

SPENCER J. COX
Lieutenant Governor

Department of
Environmental Quality

L. Scott Baird
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Dr. Erica Brown Gaddis
Executive Secretary

MEMORANDUM

TO: Utah Water Quality Board

THROUGH: Erica Brown Gaddis, PhD
Division Director

FROM: Judy Etherington
Wastewater Certification Program Coordinator

DATE: April 22, 2020

SUBJECT: Presentation of the Utah Wastewater Operator Certification Program 2019
Annual Report to the Water Quality Board

The Utah Water Quality Board has requested a yearly report of the wastewater operator certification program activities. The Utah Wastewater Operator Certification Program 2019 Annual Report is being presented by Mr. Brent Justensen, who currently serves as Chair of the Certification Council. The information contained within the attached report is for the 2019 calendar year.

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DWQ-2020-008396

ATTACHMENT 1

Utah Wastewater Operator Certification Council

2019 Annual Report



UTAH DEPARTMENT of
**ENVIRONMENTAL
QUALITY**

Utah Wastewater Operator Certification Program 2019 Annual Report



Photo of a 2019 testing session

Prepared by
The Division of Water Quality

April 2020

UTAH WASTEWATER OPERATOR CERTIFICATION PROGRAM 2019 ANNUAL REPORT

Prepared by

Judy Etherington

Wastewater Operator Certification Program Coordinator

Utah Department of Environmental Quality

Division of Water Quality

195 North 1950 West

Salt Lake City, UT 84116

Presented to the Water Quality Board on April 22, 2020

By the Utah Wastewater Operator Certification Council

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Introduction

In March of 1991, following over 20 years of voluntary certification, wastewater works operator certification became mandatory. Wastewater operator certification is administered by the Division of Water Quality under rules adopted by the Utah Water Quality Board. The Board established the Utah Wastewater Operator Certification Council to provide guidance and stakeholder involvement in the program. During 2014, the Board adopted major revisions to Rule R317-10 that incorporated changes required by Senate Bill 21 (2012 General Session) which changed the duties and responsibilities of the environmental boards, their executive secretaries, and division directors. In response to those changes, the Board approved a revision of the rule that organizes the Utah Wastewater Operator Certification Council with members appointed by the Board to work in an advisory capacity to the director of the Division of Water Quality for the certification program.

THE UTAH WASTEWATER OPERATOR CERTIFICATION COUNCIL

On January 31, 2019, the terms of three council members expired. During the January 2019 Utah Water Quality Board meeting, the Board approved appointments for Brian Lamar to represent certified wastewater treatment operators, Blaine Shipley to represent certified wastewater collection operators, and Giles Demke was reappointed to represent municipal wastewater management for the next 3-year term. The Council members serving during 2019 were:

Brent Justensen, Chair, represented wastewater collection operators. He is the Operation Manager for Central Davis Sewer District and is certified as both a Grade IV Wastewater Treatment Operator and Grade IV Collection Operator. His term expires January 31, 2021.

Blaine Shipley, Vice-Chair, represented certified wastewater collection operators. He is employed as Plant Superintendent for Price River Water Improvement District and is certified as both a Grade IV Collection Operator and Grade IV Wastewater Treatment Operator. His term expires January 31, 2022.

Giles Demke, represented the management of municipal wastewater systems. He is the Facility Manager at the Orem City Water Reclamation Facility and is certified as a Grade IV Wastewater Treatment Operator. His term expires January 31, 2022.

Paul Fulgham represented certified wastewater treatment operators. He is Public Works Director and Wastewater Treatment Manager for Tremonton City and is certified as both a Grade IV Wastewater Treatment Operator and Grade IV Collection Operator. His term expires January 31, 2021.

Phil Harold represented vocational training. He is the wastewater circuit rider for the Rural Water Association of Utah and is certified as both restricted Grade II Collection Operator and restricted Small Lagoon System Operator. His term expires January 31, 2020.

Brian Lamar represented certified wastewater treatment operators. He currently works at North Davis Sewer District and is certified as a Grade IV Wastewater Treatment Operator, Grade IV Collections Operator, and Grade II Biosolids Land Application Operator. His term expires January 31, 2022

Dr. Jennifer Weidhaas represented Utah universities. She is an Associate Professor in the Department of Civil and Environmental Engineering at the University of Utah who teaches and does research in wastewater treatment and waterborne pathogen detection. Her term expires January 31, 2020.

The council held three meetings during the year to evaluate requests for continuing education courses, consider reciprocity requests, plan for administering exams, review exam scores and comment forms, and discuss ways to improve the certification program.

Examinations

The Divisions of Water Quality and Drinking Water continued to maintain combined membership as a certifying authority with the Association of Boards of Certification (ABC), an environmental control testing service headquartered in Ankeny, Iowa. The role of ABC is to provide examination services to the certification program, which includes exam development, scoring, and compilation of exam results. A contract between ABC and the Division of Water Quality was in effect for state fiscal years 2019-23. Exams were offered in the Spring and Fall with an alternate testing date during each session in conjunction with the Rural Water Association of Utah's Annual and Fall Conferences.

The registration and attendance of the 2019 exam sessions are shown in Table 1. These totals include the newer voluntary exams as well as the traditional mandatory ones.

Table 1 - 2019 Exam Registration and Attendance

	Spring Exam Session		Fall Exam Session	
	March	April	August	November
Locations	St. George (in conjunction with RWAU Annual Conference)	Bluffdale (SVSD)	Layton (in conjunction with RWAU Fall Conference)	Bluffdale (SVSD)
		North Salt Lake		North Salt Lake
		Ogden		Ogden
		Price		Provo
		Provo		Richfield
		St. George		St. George
				Vernal
Applications Received	79	224	126	227
Total Scored*	77	222	122	225

* Some individuals did not show up to take the exams

EXAMINATION PROCEDURES

Exam sessions were proctored by members of DWQ staff, DEQ District Engineers, current Council members, or other individuals delegated by Council members. All examinations, regardless of grade, were administered using the paper-based platform and consisting of 100-scored questions using a multiple-choice format. Answer sheets are shipped to ABC for scoring and the results are compiled and returned to DWQ by electronic format for recording in the database and dissemination to the examinees. Each examinee is provided an individual statistical report and several variations of summary reports showing the cumulative results for all Utah examinees taking the same test during that session. Current ABC exams use a cut off score of 70 for passing an exam.

EXAM CONTENT

The exams used in 2019 were compiled from ABC's data bank, including the Small Lagoon System exam, which is a customized exam using questions from the same data bank, but developed with 50 Wastewater Treatment I and 50 Collection I items to meet the need of smaller wastewater systems in Utah. The wastewater treatment and collection exams are "ABC 2017 standardized" exams which meet ISO 17024 standard to ensure the validity, reliability, and legal defensibility of the certification exams. Exam questions are reviewed by ABC's technical committees on a regular basis to ensure applicability to current wastewater technologies and processes. The standardized exams also include an additional ten unidentified and un-scored items being pretested for future use.

Three voluntary classifications of wastewater related certifications were again offered in 2019. They include Biosolids Land Applier Grades I - II, Wastewater Laboratory Analyst Grades I - IV, and Plant Maintenance Technologist Grades I - III. Mandatory exams include Collections Grades I - IV, Wastewater Treatment Grade I - IV, and Small Lagoons System Grade I. Cumulative Totals for the 2019 mandatory wastewater exam classifications are shown in Table 2.

Table 2 - Cumulative 2019 Exam Scores (Mandatory)

Exam-Grade	Total Examinees	High Score	Low Score	#Pass (≥70%)	Pass %
C-I	37	89	42	23	62
C-II	82	87	46	38	46
C-III	34	77	45	8	24
C-IV	122	91	43	25	20
SLS-I	28	92	41	20	71
T-I	75	85	41	17	23
T-II	86	88	41	22	26
T-III	45	83	52	6	13
T-IV	103	81	41	20	19
Totals	612			179	29

This is the second year using the 2017 version standardized exams. As predicted by ABC, the overall passing rates have improved over those from the first year.

Table 3 - Passing Rate Comparison for Mandatory Exams 2018 and 2019

Exam-Grade	2018 Pass %	2019 Pass %
C-I	57	62
C-II	34	46
C-III	10	24
C-IV	16	20
SLS-I	65	71
T-I	21	23

T-II	20	26
T-III	6	13
T-IV	10	19
Overall	23	29

EXAMINATION REVIEW

The certification rule was amended to remove the option of a post-exam review of actual questions and answers by the examinees and became effective January 24, 2018. Since that time, the rule still provides the opportunity for the Council to review the questions along with the ABC accepted answers for any questions for which a comment form was submitted during the testing sessions. This provides an opportunity for the Council to respond directly to the examinee's comment and also evaluate whether a recommendation should be made to ABC regarding the validity of the question in future exams. Each individual is provided a statistical breakdown of their proficiency in the areas of testing as described in the published need-to-know criteria. The examinee, as well as those assisting them in their exam preparations, are able to use those results to focus study efforts for future testing opportunities.

Training

COOPERATION WITH TRAINING PROVIDERS

During 2019, most of the certification-related training classes were again offered through cooperative efforts with the Rural Water Association of Utah or the Water Environment Association of Utah. Division of Water Quality staff and Certification Council members participated as instructors and presenters at conferences, seminars, and training sessions which provided training to wastewater personnel. The objective of these training opportunities was to facilitate compliance with UPDES permits, review subject matter in preparation for operator examinations, and earn required continuing education credits for renewals.

Some council members and staff also participated with the Utah Water and Wastewater Training Coalition to provide a centralized calendar of seminars and training to make it easier for water and wastewater professionals to obtain needed training and continuing education for their respective fields. The council continued to support participation in an “on-line” calendar format. This calendar has greatly improved the communication and coordination between the members of the Coalition as well as the operators. Division of Water Quality staff and representatives of the member organizations maintain their respective calendar information. Members of the Coalition are: Division of Drinking Water, Division of Water Quality, American Waterworks Association, Water Environment Association of Utah, Rural Water Association of Utah, and American Backflow Prevention Association, and Rural Community Assistance Corporation .

Renewal and Compliance

Wastewater Operator Certifications may be valid for up to three years. Certifications will expire on December 31st of the expiration year unless they have been renewed. Continuing education during the three-year period prior to the expiration date, in wastewater-related subject matter, is a prerequisite for renewal. The number of credits required is dependent upon the grade of certification being renewed. Reinstatement of the certificate is also allowed within the year following expiration, provided that the operator has earned the required training credits prior to the certificate's expiration. All publicly-owned wastewater works are required to have adequately certified individuals "in charge" of both the wastewater treatment and collection systems as specified in Rule R317-10 Certification of Wastewater Works Operators. The statistics in Table 3 represent the certification actions taken during 2019 to comply with various aspects of the certification rule.

Table 4 - Certification Actions for 2019

Action	Number
Number of "new operators" added to wastewater certification database during 2019	132
Certificates expired December 31, 2018– final notices mailed September 2019	68
Certificates expired 2018, reinstated prior to December 31, 2019 deadline	61
Certificates expired 2018, reinstated with "Change in Status" prior to December 31, 2019 deadline	0
"Change in Status" certificates issued for current certifications	27
Certificates expiring December 31, 2019 – notices mailed February 2019	613
Certificates expiring December 31, 2019 – notices mailed September 2019	472
Certificates expiring 2019 renewals received prior to December 31, 2019	338
Certificates expiring 2019, renewed along with "Change in Status" requests	29
Early renewals for certificates expiring after 2019	5
Early renewal with "Change in Status" for certificates expiring after 2019	10
Certificates issued by "reciprocity" (equivalent certification from another state)	6
Issued Letter-of-Intent to issue certificate by "reciprocity" (not employed in Utah)	0
Number of "reciprocity" requests denied in 2019	0
Number of "active" individuals in database (participated in certification within last 3 years)	1,750
Number of certified wastewater operators as of January 1, 2019 (all categories)	1,280
Number of certified "treatment" operators	534
WW Treatment Grade I	122
WW Treatment Grade II	146
WW Treatment Grade III	47
WW Treatment Grade IV	257
Number of certified "collection" operators	894
Collection Grade I	121
Collection Grade II	274
Collection Grade III	92
Collection Grade IV	442
Number of certified "small lagoon system" operators	143
Total number of current wastewater operator certifications as of January 1, 2020	1,662
Number of operators holding two classes of certifications, but not more than two during 2019	254

Action	Number
Number of operators holding three classes of certifications	25
Total number of current voluntary certifications (Biosolids Land Applier, WW Laboratory, Plant Maintenance)	82
Total number of publicly owned wastewater collection systems	195
Municipal Collection Class I systems	99
Municipal Collection Class II systems	49
Municipal Collection Class III systems	27
Municipal Collection Class IV systems	20
Total number of publicly owned wastewater treatment facilities	123
Municipal Treatment Class I facilities	75
Municipal Treatment Class II facilities	10
Municipal Treatment Class III facilities	21
Municipal Treatment Class IV facilities	17
Municipal Small Lagoon System I facilities (combination Treatment I & Collection I included in the above numbers)	67

As an alternative to employing a certified operator as Direct Responsible Charge (DRC), the owner of a municipal wastewater system may choose to contract with an individual or another entity with an appropriately certified operator to meet the certification requirement. New contracts to meet the requirements for Direct Responsible Charge (DRC) operators were submitted and approved for Manila Town, Richmond City, North Village SSD, Twin Creeks SSD, and Strawberry Lakeview SSD.

Systems with no certified DRC operator of record as of January 1, 2020, are Little Mountain Service Area, Mexican Hat Special Service District #1, and Ticaboo Utility Improvement District. The contract for services for Little Mountain Service Area expired, but Central Weber Sewer Improvement District continues to provide their services until a new contract can be negotiated. Mexican Hat Special Service District #1 had a contract in place until December 31, 2019, but has not submitted any information extending it as of this publication. Ticaboo UID has hired an individual to operate the system, but he did not pass the exam on his first try in November 2019.

Certification Council Meetings

There were three Council meetings held during 2019. The following items may be of special note:

- The Council has chosen to use the 2017 ABC Standardized Exams for Collection and Wastewater Treatment. These exams have 100 pre-selected, scored questions, but also have 10 additional unidentified questions that are being Beta tested for future use. This is to facilitate having validated questions that may be used in the future for questions that are not performing as well as expected. The scores dropped slightly during the first year, but have risen a little during the second year of use as the operators became more accustomed to the slightly different format.
- The revised Small Lagoon System exam format seems to better evaluate the overall competency of the operators since it includes 50 collection and 50 treatment questions from the Grade I Standardized exams. The new exams were first used during the Fall 2017 exam sessions.
- The Council has done more research into making the exams available through computer-based or web-based testing. Although university testing centers are not currently available for our use, we continue to look for other options. One option is to use ABC's preferred computer-based testing provider who has several permanent locations within Utah, but the exam fees would need to be increased substantially. All fee changes must go through the DEQ fee schedule approval process and be approved by the legislature and that has not been pursued.
- Since Utah's wastewater certification post-exam reviews have been discontinued, council members discussed ways to better prepare operators for taking the certification exams. Both Rural Water Association of Utah and Water Environment Association of Utah have re-evaluated their training programs and are using newer training materials. They are also encouraging operators to do more individual study and preparation so that the group reviews can be more effective.
- The Council concluded that there was no longer a valid reason to limit taking a particular exam only twice each year since the questions and answers are not being shown to the examinees between sessions. Operators are now allowed to take the same exams at any of the scheduled sessions during the year. This policy change may partially contribute to the increased number of exams being administered, i.e.: in 2017=498; in 2018=550; and in 2019=612.
- More reciprocity requests were submitted and approved during 2019 than in any other single year.
- Accommodations were made by council members and staff to administer a couple exams orally in conjunction with regular testing dates.
- The Council discussed trying to find a better way to inform the operators of how difficult the exams are so that they will put more effort into preparing for them rather than simply testing repeatedly.
- The Council decided to review the new 2019 version of ABC Standardized Exams prior to incorporating them. They are based on the same Need-to-Know Criteria as the 2017 version that has been used during 2018 and 2019, but have been refined with about 25% newer items. They will still include the 10 un-scored questions being pre-tested. The reviews will be scheduled during early 2020.

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