



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

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

Drinking Water Board
Paul Hansen, P.E., *Chair*
Betty Naylor, *Vice-Chair*
Brett Chynoweth
Tage Flint
Heather Jackson
Brad Johnson
Natasha Madsen
David Stevens, Ph.D.
Mark Stevens, M.D.
Kenneth H. Bousfield, P.E.
Executive Secretary

MINUTES OF THE DRINKING WATER TELECONFERENCE BOARD MEETING HELD ON
OCTOBER 11, 2013 AT 9:00 A.M.

BOARD MEMBERS PRESENT

Paul Hansen
Betty Naylor
Tage Flint
Heather Jackson
Natasha Madsen

BOARD MEMBERS EXCUSED

Brad Johnson
David Stevens
Mark Stevens

STAFF

Ken Bousfield
Misty Tabor
Linda Matulich
Michael Grange
Heather Bobb
Patti Fauver

ITEM NO. 1 CALL TO ORDER

The Drinking Water Board convened at 9:10 a.m. over teleconference with Chairman Paul Hansen presiding.

ITEM NO. 2 ROLL CALL

Chairman Paul Hansen asked Michael Grange to call roll of the Drinking Water Board members. The roll call showed that there were 5 members present.

ITEM NO. 3 INTRODUCTIONS

Chairman Paul Hansen asked all members to introduce themselves. No guests were in attendance.

ITEM NO. 4 FINANCIAL ASSISTANCE COMMITTEE REPORT

1. SRF Application
 - a. Bridge Hollow Water Association

APPLICANT'S REQUEST

Bridge Hollow is requesting \$75,000 in emergency funding to repair Pressure Reducing Valves (PRV) that failed recently in their water system. The high pressure resulting from the failed PRV's caused a waterline in the lower part of the system to rupture, which drained their tank and washed out the road. Eight PRV's failed and they have repaired three of them and temporarily fixed the waterline to keep the system in operation while they obtain funding to fix the remaining valves and permanently fix the waterline. Bridge Hollow is requesting to be reimbursed for the costs incurred in repairing the first three PRV's and the temporary repair of the waterline. The \$75,000 request is the total cost for the project, including contingency.

STAFF COMMENTS

Bridge Hollow Water Association is a private water system that is operated by the full time residents on a volunteer basis. The water system is currently Not Approved due in part to three significant deficiencies as outlined in the attached Improvement Priority System (IPS) Report.

Based on information from the Utah State Tax Commission, the 2011 MAGI for the Bridge Hollow area is \$54,363, which is 144% of the State MAGI of \$37,718. The current average monthly water bill is calculated as \$87.50, or 1.93% of the local MAGI. Therefore Bridge Hollow is eligible for principal forgiveness and reduced interest rate.

The financial analysis indicates that Bridge Hollow's water bill is currently not enough to cover the water system's operating expenses.

FINANCIAL ASSISTANCE COMMITTEE RECOMMENDATION

The DWB authorize a \$75,000 construction loan with \$75,000 in principal forgiveness to Bridge Hollow Water Association for emergency repair of PRV's and waterline, with the condition that they resolve all significant deficiencies outlined on their IPS report and obtain an Approved water system rating.

BOARD COMMENTS

Michael Grange stated this is an emergency project. Betty Naylor comment on the systems deficiency report having deficiencies with due dates back to 2009. She asked if there was a plan in writing to resolve all deficiencies and if there was a schedule to meet those compliance issues. Michael stated that was something staff would work on with the system. Michael Grange reported that there is no action plan related to this project to resolve their deficiency report as of now. Paul Hansen asked if they are doing something to prevent the number of PRV's from breaking again, is there some kind of pressure relief plan in place to prevent the PRV's from breaking again. Michael Grange stated that staff could ensure the system includes some engineering control plan in the process to fix the problem and prevent the issues from reoccurring. Paul Hansen also asked if there was a plan to raise the water bill in order to make it closer to what their expenses actually are. Michael Grange reported he met with the systems board members and they stated they were aware their rates are to low and the system in essence agreed to raise their rates as part of this project in order to accommodate this loan; they are a private company and part of home owners associations

so they do have to follow steps according with going through the association and their board in order to raise the rates. Betty mentioned she was concerned because on paper within the parameter of the loan there is no effort to correct compliance or financial issues. Michael Grange stated they could enter into a compliance agreement enforcement order, in order to ensure compliance issues are corrected before loan closing.

MOTION

Motion made by Paul Hansen to accept the FAC recommendations with the following conditions, that Bridge Hollow water system enter into agreement with the division in an outlined timeframe to correct substantive compliance issues, giving staff authority to decide what is considered substantive, that staff also gives them notification that the DWB expects them to correct their finances to prevent them from having to come back to the DWB for further financial assistance, and that staff review the design to ensure it shows that there is some kind of redundancy pressure relief or engineering controls in place to prevent further PRV damage. Paul Hansen clarified that he encourages the water system to raise their rates, look at what they are charging correct it and show what their plan is to correct financial issues, seconded by Tage Flint. The motion passes based on the four elements listed per Paul Hansen.

Paul Hansen thanked the staff for their hard work with this project.

**CARRIED
(Unanimous)**

ITEM NO. 5 REQUESTING APPROVAL OF THE DRINKING WATER BOARD RULE CHANGES TO R309-105, R309-400 AND R309-405 – PATTI FAUVER

Paul Hansen reviewed the status of the rules; he stated they have gone through the public comment period and that the rules had come before the board previously. No comments were received during the public comment period which ended on August 14, 2013.

STAFF RECOMMENDATIONS

The Staff recommends the DWB adopt the rule revisions to R309-105, R309-400, and R309-405.

BOARD COMMENTS

Paul Hansen reviewed changes made to R309-105 due to Senate Bill 21; there were minor non-substantive and substantive changes; for clarification purposes regarding backflow prevention assembly approval.

Paul Hansen reviewed changes made to R309-400 due to Senate Bill 21 there were minor substantive and non-substantive changes; substantive change deals with Division's water system rating and the assessment of points for non-compliance with rules. It does not directly assess penalties. Language was added to clarify there may be additional consequences with data falsification in addition to the assessment of demerit points (revocation of certification, monetary penalties, etc).

An R309-405 due to Senate Bill 21 there were minor substantive and non-substantive changes; the substantive change clarifies and updates how to request a formal hearing.

The motion would be for the board to authorize staff to make rules effective as of October 12, 2013.

MOTION

Motion made by Natasha Madsen to approve recommendations made by staff and to authorize staff to file the appropriate forms to adopt the rule changes with the effective date being October 12, 2013 for R309-105, R309-400, and R309-405, seconded by Heather Jackson.

CARRIED
(Unanimous)

ITEM NO. 6 NEXT BOARD MEETING

Date: November 8, 2013
Time of Board Meeting: 1:00 p.m.
Location: DEQ's Board Room, # 1015
195 North 1950 West
Salt Lake City, Utah 84116
Phone: (801) 536-4200

ITEM NO. 7 OTHER

The next Financial Assistance Committee Meeting will be held next Wednesday 10/16/13 at 9:00A.M.

ITEM NO. 8 ADJOURN

Meeting adjourned at 9:30 A.M.

CARRIED
(Unanimous)

Misty Tabor
Recording Secretary