



State of Utah

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Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
Director

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Paula Doughty, *Vice-Chair*
Myron E. Bateman
David F. Echols
Merritt K. Frey
Darrell H. Mensel
Leland J. Myers
Neal L. Peacock
Amanda Smith
Gregory L. Rowley
Steven P. Simpson
Daniel C. Snarr
Walter L. Baker
Executive Secretary

MINUTES

UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
UTAH WATER QUALITY BOARD
Eagle Mountain City Hall
1650 E. Stagecoach Run
Eagle Mountain, Utah 84005
Wednesday June 23, 2010

UTAH WATER QUALITY BOARD MEMBERS PRESENT

Dave Echols	Jay Olsen	Merritt Frey
Leland Myers	Steve Simpson	Neal Peacock
Greg Rowley	Paula Doughty	Darrell Mensel
Myron Bateman		

DIVISION OF WATER QUALITY STAFF MEMBERS PRESENT

Walt Baker, Faye Bell, Emily Canton, Lisa Nelson, Leah Ann Lamb, John Whitehead, Ed Macauley, Carl Adams, Beth Wondimu, John Kennington, and Mike Allred

OTHERS PRESENT

<u>Name</u>	<u>Organization Representing</u>
Phil Wright	Private Citizen
Mrs. Wright	Private Citizen
Fred Nelson	Attorney General's Office
Shari Garrett	Washington Terrace City
Darrel Dixon	Stantec
Reed Fisher	Central Valley Water Rec.
Dru Whitlock	CH2M Hill
Dustin Matsumori	George K. Baum & Co.

Chair Olsen called the Board meeting to order at 12:45 pm. He welcomed those in attendance and invited the members of the audience to introduce themselves.

APPROVAL OF MINUTES OF THE APRIL 28, 2010 MEETING

Ms. Doughty noted a few typo errors needing to be corrected.

Motion: It was moved by Ms. Doughty and seconded by Mr. Echols to approve the minutes of the April 28, 2010 meeting with the noted corrections. The motion was unanimously approved.

APPROVAL OF MINUTES OF THE MARCH 31, 2010 MEETING

Motion: It was moved by Mr. Simpson and seconded by Ms. Doughty to approve the minutes of the March 31, 2010 meeting. The motion was unanimously approved.

Recognition Awards: Mr. Olsen presented a recognition award to Mr. Phil Wright former member of the Water Quality Board and Mr. Fred Nelson from the Attorney Generals Office for their contributions over the years to the Water Quality Board.

Executive Secretary's Report: Mr. Baker briefed the Board of the recent oil spill that occurred the weekend of June 12th at the Red Butte Creek. Chevron Oil has a 10" pipeline that flows down the hillside near Red Butte Creek near Red Butte Gardens. A power substation is very nearby. Chevron Oil said an electrical current arced over and blew a ¼" hole in the pipeline causing 30,000 to 50,000 gallons of oil to spill into the nearby creek. Red Butte Creek flows into Liberty Park which ultimately empties into the Jordan River. Most of the oil was contained in the pond at Liberty Park. Sheen went as far as Rose Park Golf Course, but there was no indication the oil reached Great Salt Lake and Farmington Bay. The pipeline has been fixed and Chevron has done a good job in containing the spill and the cleanup process has begun.

RULEMAKING

Request to proceed to rulemaking to amend R317-1-7: Mr. Adams explained to the Board that the Division has recently received an approval letter from EPA for the Middle Bear River and Cutler Reservoir TMDLs. Staff is recommending that the Board proceed to rulemaking for the adoption of these EPA approved TMDLs into R317-1-7.

Motion: Following an extensive discussion, it was moved by Ms. Frey and seconded by Mr. Echols to proceed to rulemaking. The motion was approved with Mr. Myers, Ms. Doughty, Mr. Olsen and Mr. Bateman opposing. Mr. Rowley Abstained. The Board requested a work meeting be arranged to discuss TMDLs.

LOAN ITEMS

Financial Assistance Status Report – Ms. Canton updated the Board on the “Summary of Assistance Program Funds,” as outlined on page 3.1.

Intended Use Plan (IUP) & Project Priority List (PPL) – Ms. Canton explained to the Board that as a condition of the CWSRF funding, the U.S. Environmental Protection Agency requires that the State of Utah provide an annual IUP and PPL. However, due to the dynamic nature of wastewater projects, these documents will be updated on an ongoing basis throughout the fiscal year. The Board will be apprised of these updates by way of the Financial Status Report as well as requests for funding. The Division of Water Quality is requesting approval to go to public comment for feedback regarding the FY11 IUP and PPL.

Motion: It was moved by Mr. Myers and seconded by Ms. Doughty to approve staff's request to proceed to public comment. The motion was unanimously approved.

Central Valley request for bond amendment: Ms. Wondimu introduced Reed Fisher with Central Valley and Dustin Matsumori from George K. Baum & Company. On March 7, 2010 the Water Quality Board authorized a \$35 million loan to Central Valley Reclamation Facility (CVWRF) for the purchase of its wastewater facility upgrade from its member entities. The loan term was 20 years, with a hardship grant

assessment of 3.0%. CVWRF is proposing to take advantage of currently low short-term interest rates in the public market by borrowing about \$10 million to prepay 6-7 years of principal on its Water Quality Board loan. In order to make this feasible any prepayment must be applied to the front end of CVWRF's loan. CVWRF is requesting that the Board allow it to amend the bond to provide for a one-time principal prepayment.

Motion: It was moved by Mr. Myers to approve staff's request and seconded by Mayor Peacock to approve CVWRF request to amend the bond held by the Board to provide for a one-time principal prepayment to be applied to the front end of its loan. The motion was unanimously approved.

Washington Terrace Introduction: Ms. Nelson introduced Ms. Garrett from Washington Terrace. The City of Washington Terrace is requesting financial assistance in the amount of \$835,000 at an interest rate of 2.5% repayable over 20 years to replace existing aged and failing reinforced concrete pipe (RCP). The City of Washington Terrace will contribute a total of \$588,000 (\$120,000 is the wastewater portion) for its local contribution. This is a project introduction and no formal recommendation was made by staff.

Nutrient Reduction Benefits Study: Economic Benefits: Mr. Ostermiller called into the meeting to explain the elements included in the Request For Proposals (RFP) for the economic benefits portion of the nutrient reduction study. There are four elements in the RFP:

1. Data Compilation:
What studies and data sources already exist that can inform these investigations?
2. Quantify the Role that Cultural Eutrophication Plays in Recreation Decisions:
How does excessive algae growth affect recreation decision choices?
What costs are associated with loss of recreation use values under current and future nutrient enrichment scenarios.
3. Quantify the Net Costs of Nutrient Criteria Implementation:
What is the net cost of nutrient criteria implementation?
What are the key economic costs and benefits of nutrient criteria implementation?
Are the costs and benefits of nutrient criteria implementation similar throughout Utah or do they differ regionally?
How can DWQ utilize the results of these research efforts as we move forward with nutrient criteria implementation?
4. Create Tools to Translate the Large-scale Evaluations to Site-specific Scenarios

Staff will bring results of the RFP review to the July Board meeting to request funding of the successful bid.

OTHER BUSINESS

Introduction of proposed Utah Sewer Management Program Rule: Mr. Kennington explained the draft rule R317-801 "Utah Sewer Management Program" that is proposed to govern the new program to manage all public wastewater collection systems in the State of Utah. Staff will introduce the rule text to the Board for its review and comment at a subsequent Board meeting.

**-NEXT MEETING –
Wednesday July 14, 2010 Conference Call**

Jay Olsen, Chairman
Utah Water Quality Board