

SOUTH DAVIS SEWER DISTRICT  
BOARD OF TRUSTEES  
REGULAR MEETING  
17 June 2021

The Board of Trustees of the South Davis Sewer District, Davis and Salt Lake Counties, met in regular session at 5:00 p.m. at the District Office located at 1800 West 1200 North, West Bountiful, Utah, with the following members present:

Dee Hansen	Chairman
Howard Burningham	Vice-Chairman
John Davies	Trustee
Randy Lewis	Trustee
Mark Preece	Trustee
Len Arave	Trustee
Ryan Westergard	Trustee (arr. 5:05 pm)

Others meeting with the Board:

Dal Wayment	General Manager/Treasurer
Matt Myers	Assistant General Manager
Mark Katter	Accounting Manager/Clerk
Susanne Monsen	Administrative Asst/Asst Clerk
Steve Capson	Karren Hendrix Stagg Allen & Co CPAs

1. OPEN MEETING:

The meeting was called to order at 5:00 p.m.

2. MINUTES:

The Chairman asked for comments of the regular Board Meeting held 20 May 2021. After consideration motion was made by Mr. Randy Lewis seconded by Mr. Mark Preece to accept the Minutes as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece and Arave voting "aye",

3. BUDGET REPORT:

A. SOUTH DAVIS SEWER DISTRICT.

The Budget Report dated 6/13/21 was presented for review. The combined Revenue Budget has received 44% in revenues; The Collection System is 48% expended; Treatment Plants are 46% expended; Industrial Pretreatment is 45% expended; Capital Expansion is 19% expended; Water Quality Group (JR/FB) is 37% expended; OU2 Remediation is 33% expended; Water Quality Group (Utah Lake) is 26% expended; and General & Admin is 35% expended. The budget ratio to calendar months is 46%.

B. WASATCH RESOURCE RECOVERY (WRR).

The Budget Report dated 6/13/21 for WRR was presented for review. The Revenue Budget has received 24% in revenues and is 44% expended. The budget ratio to calendar months is 46%.

4. INVESTMENT REPORT:

Current investments (May/2021) are maintained by Zions Bank, Public Treasurer's Investment Fund (PTIF) and Moreton Asset Management. Zions Trust held approximately \$7.4 million at an interest rate of 0.4029% (funds are with PTIF); PTIF held approximately \$5.3 million at an interest rate of 0.4029%; and Moreton held approximately \$1.8 million at an interest rate of 0.9480%.

5. APPROVAL OF DISBURSEMENTS:

Trustees reviewed the Zions Bank check numbers 31168, 31182, 31195, 31199 and 31232. After consideration and some review motion was made by Mr. John Davies seconded by Mr. Howard Burningham to accept the Disbursements as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

6. CONSIDER RESOLUTION NO. 113-21 / ADOPTION OF THE FINAL TAX RATE:

The County Assessor's office has calculated and forwarded the documentation for the District's final tax rate for this budget year. Based on their assessed valuation the certified tax rate for 2021 will be .000296 and generate revenues in the amount of \$3,066,176.00. After further discussion motion was made by Mr. Len Arave seconded by Mr. Ryan Westergard to adopt the Final Tax Rate of .000296 through Resolution No. 113-21. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

7. 2020 AUDIT/ANNUAL FINANCIAL REPORT - REVIEW AND APPROVE:

Mr. Steve Capson of Karren, Hendrix, Stagg, Allen & Company, outlined the results of the 2020 Audit. The District was given an unqualified Audit opinion.

After review and some discussion motion was made by Mr. Ryan Westergard seconded by Mr. John Davies to accept the 2020 Audit subject to revision and update as presented by Karren, Hendrix, Stagg, Allen & Company. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

Again, this year, the District will issue an Annual Financial Report as part of the annual audit. The Annual Financial Report provides extensive discussion and statistics regarding the District's financial activities.

After review and some discussion motion was made by Mr. Ryan Westergard seconded by Mr. Howard Burningham to accept the Annual Financial Report for the year ending 2020 subject to revision and update as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

8. SOUTH PLANT REHABILITATION & NUTRIENT REMOVAL PROJECT - REPORT:

Matt Myers reviewed the timeline issues and options regarding miscellaneous PLC/electrical components, the backup power generator for additional equipment and adding an additional standby generator. A PowerPoint presentation of the operations building was also viewed.

9. NORTH PLANT REHABILITATION & NUTRIENT REMOVAL PROJECT - REPORT AND CONSIDER DESIGN AGREEMENT WITH CLEARAS FOR ADVANCED BIOLOGICAL NUTRIENT REMOVAL (ABNR) SUBMITTALS:

The District recently received approval of the engineering design report for North Plant Rehabilitation and Nutrient Removal Project. Aqua Engineering is proceeding with preparation of the plans and specifications for the project. The District is procuring all of the algae-based nutrient removal equipment directly from the vendor. The engineering support and submittal preparation costs work has been addressed with an Agreement with Clearas Water Recovery, the equipment vendor. This Agreement has been reviewed by Mark Anderson the District's legal counsel.

There will be a two-day workshop involving the District, Aqua Engineering and Clearas to review lessons learned from facilities constructed in Wisconsin.

After review and some discussion motion was made by Mr. Randy Lewis seconded by Mr. John Davies to approve the Design Agreement with Clearas for ABNR Submittals. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

10. WASATCH RESOURCE RECOVERY (WRR) - REPORT:

A list of new feed stock sources was reviewed. As the economy continues to emerge from the Covid-19 pandemic more potential clients have the time and resources to consider sending us their food waste.

As digester gas is scrubbed to natural gas pipeline quality a significant amount of food grade CO2 is generated. A significant portion of this CO2 will be used as a carbon source for the algae nutrient removal system. However, this still leaves a significant amount of CO2. Discussions have been held with potential customers for this CO2.

The digesters are working well and their operation is stable. Gas quality and quantity are within design parameters. The gas upgrade skid continues to be a maintenance and operational problem. The most significant remaining problem is the main gas compressor. It is being replaced by the vendor. Delivery of equipment for this replacement is still several months out. Supply chain continues to be a problem for GUS and WRR operations in general.

Currently there seems to be significant interest by major investors in projects that are green, involve water and wastewater and are developed by private-public partnerships. Discussions are being held to see if this can benefit the project.

We are working with a biochemist and various vendors on reducing the cost of micro-nutrients for the digesters. We are also looking at the addition of zeolites, a mineral product that has the ability to adsorb ammonia when fed to the digesters, thus improving digester performance.

11. GENERAL MANAGER'S REPORT:

A. AMERICAN RESCUE PLAN ACT - STIMULUS FUNDS.

These funds are being distributed to the State, which in turn will distribute them to cities, counties and special districts. The guidance document for the utilization of these funds are still in development. The algae nutrient removal system in particular seems to be a good fit for potential funding. There may also be an opportunity for additional funding for WRR. Support and participation with stimulus funds from our member cities and the County are important to support an application for these funds. The staff has been working on a presentation to take to the cities and the County. We will seek to meet with the City Councils and Mayors. A presentation/handout put together by Lanese Hendrickson was viewed.

12. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 15 July 2021, 5:00 p.m.

13. DISMISSAL:

The Chairman declared the meeting adjourned at 7:05 p.m.



Clerk

  
Chairman, Board of Trustees