

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING & PUBLIC HEARING
21 October 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 (excused 6:50 pm)
John Davies	Trustee (via videoconference)
Randy Lewis	Trustee
Mark Preece	Trustee
Len Arave	Trustee
Ryan Westergard	Trustee

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
Marcus Keller	Zions Public Finance
Ron Mortensen	Resident/Bountiful
Deby Marshall	Resident/West Bountiful
Joe Leary	Resident/Centerville

1. OPEN REGULAR MEETING:

The Chairman called the meeting to order at 5:20 p.m.

2. APPROVAL OF 9/16/21 MINUTES:

The Chairman asked for comments of the regular Board Meeting held 16 September 2021. After consideration motion was made by Mr. Randy Lewis seconded by Mr. Ryan Westergard to accept the Minutes as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

3. BUDGET REPORT:

A. SOUTH DAVIS SEWER DISTRICT.

The Budget Report ending September/2021 was presented for review. The combined Revenue Budget has received 77% in revenues; The Collection System is 72% expended; Treatment Plants are 74% expended; Industrial Pretreatment is 78% expended; Capital Expansion is 21% expended; Water Quality Group (JR/FB) is 70% expended; OU2 Remediation is 53% expended; Water Quality Group (Utah Lake) is 50% expended; and General & Admin is 50% expended. The budget ratio to calendar months is 75%.

B. WASATCH RESOURCE RECOVERY (WWR).

The Budget Report ending September/2021 for WRR was presented for review. The Revenue Budget has received 51% in revenues and is 82% expended. The budget ratio to calendar months is 75%.

4. INVESTMENT REPORT:

Current investments (September/2021) are maintained by Zions Bank, Public Treasurer's Investment Fund (PTIF) and Moreton Asset Management. Zions Trust held approximately \$6.1 million at an interest rate of 0.3187% (funds are with PTIF); PTIF held approximately \$4.0 million at an interest rate of 0.3187%; and, Moreton held approximately \$1.8 million at an interest rate of 0.9694%.

5. APPROVAL OF DISBURSEMENTS:

Trustees requested review on Zions Bank check number 31632. After consideration and some review motion was made by Mr. Howard Burningham seconded by Mr. Len Arave to accept the Disbursements as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

6. APPROVAL OF SEWER LINE AGREEMENTS"

A. THE LANE SUBDIVISION - PROJECT NO. 9-21.

Mr. Wayment recommended the Agreement for The Lane Subdivision, located at approximately 644 West 400 South in Centerville, known as Project No. 9-21, be accepted.

Motion was made by Mr. Mark Preece seconded by Mr. Randy Lewis to authorize the Chairman to sign the Agreement for The Lane Subdivision. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

7. UTAH ASSOCIATION OF SPECIAL DISTRICTS - APPOINT MEMBER AND ALTERNATE:

After consideration motion was made by Mr. Ryan Westergard seconded by Mr. Mark Preece to appoint Mr. Dee Hansen as Member and Mr. Howard Burningham as Alternate Member. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

8. REVIEW RECOMMENDED REVISIONS TO 2021 BUDGET:

The 2021 Budget was opened and presented for review. Several items were adjusted to reflect actual experience to date and to balance the overall Budget. The majority of the revisions were housekeeping items.

9. CONSIDER RESOLUTION NO. 107-21 (1ST AMENDMENT) - 2021 BUDGET:

Motion was made by Mr. Howard Burningham seconded by Mr. Ryan Westergard to amend the 2021 Budget through Resolution No. 107-21 (1st Amendment) as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

10. OPEN PUBLIC HEARING TO RECEIVE PUBLIC INPUT WITH RESPECT TO A PROPOSED RATE INCREASE:

At 6:00 p.m. motion was made by Mr. Len Arave seconded by Mr. Mark Preece to open the Public Hearing. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

A. PRESENTATION.

Due to increasing concerns about hazardous algal blooms and other environmental impacts of phosphorus in 2014 the Utah Division of Water Quality (DWQ) promulgated a rule requiring all mechanical treatment plants in Utah to reduce phosphorus in their discharge to a maximum of 1 mg/l. In 2015, again due to concerns about the environmental impact, the District's plants were given lower limits for the discharge of ammonia. To meet these lower limits requires the construction of additional treatment processes at both of the District's plants. Since the implementation of the new permit limits, the District has been working on the planning and engineering to meet these requirements. The total cost needed to meet these new requirements has increased significantly due to inflation and supply chain issues. Mr. Matt Myers reviewed current rates both locally and nationally.

B. PUBLIC COMMENTS.

JoEllen Ashworth - Bountiful

- Q. I assume the District has nothing to do with the increase, the State is imposing this on us.
A. If we don't upgrade our facilities the State will fine us until we do.
Q. Is there any way to influence DWQ?
A. The last 10 years have been spent working on these issues. The POTWs along the Wasatch Front banded together 10 years ago to address the scientific these issues that drive water quality, spending about \$800,000 per year in research studies and testing. The results are shared with the State. Their response is what drives the on-going research and testing. We have shared the science to try to make the permit limits as reasonable as possible.
Q. Do we have an algae problem?
A. The State is concerned about algae blooms on Farmington Bay and the Great Salt Lake Wetlands and other water bodies throughout the state. Algal blooms in Utah Lake have been a significant issue the last couple of years.
Q. Do we have any algae contamination that we have to spend money on?
A. The District permit limits are driven by State and Federal water quality criteria. These criteria are driven by the need to support and protect invertebrate populations, fish populations and water waterfowl populations.
Q. If the problem is in Utah County let them take care of the problem and leave us alone.
A. These limits are not driven by algae alone. The phosphorus limits may be algae, but the ammonia limits are driven by toxicity. Wastewater is rich in ammonia. Our ammonia limit is driven by the water quality in the State Canal right here which then goes to the Farmington Bay Waterfowl Management Area - the wetlands. The allowable limit for ammonia is determined by a class or use. The limit is set nationally. The State then adopts the limit.

Ron Mortensen - Bountiful

- Q. Has anything been done to stop the upstream discharges of ammonia?
A. Not the problem of the owners so any inconvenience is too much. It quickly runs into water rights issue which are difficult to resolve. The Jordan River Commission is an ally. They would like to see more water diverted routinely down the Jordan River to address low dissolved oxygen levels during the summer. They have a study lined up. Kennecott Copper has agreed to loan them some water rights. The weather has not cooperated. We will stay in touch with them.

Comment from Mr. Mortensen:

Taxes continue to increase. With inflation and other factors, it becomes difficult to come up with the extra money. Even though the District is one of the lowest, people have built their budgets and cost of living based on our traditionally lower rates.

Comment from Mr. Wayment:

The District feels responsibility keenly to keep costs low and we will keep doing the best we can.

There being no further questions or comments the Board and staff thanked those participating for their interest and input.

11. CLOSE PUBLIC HEARING:

Motion was made by Mr. Len Arave seconded by Mr. John Davies to close the Public Hearing. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

12. CONSIDER RESOLUTION NO. 110-6 AMENDING THE DISTRICT'S SCHEDULE OF CHARGES & FEES:

After review and consideration motion was made by Mr. Len Arave seconded by Mr. Randy Lewis to adopt the revisions to Resolution No. 110-6 as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

13. CONSIDER ENGINEERING COMMITTEE RECOMMENDATIONS FOR THE PROPOSED 2022 TENTATIVE BUDGET:

After consideration motion was made by Mr. Howard Burningham seconded by Mr. Ryan Westergard to adopt the Engineering portion of the proposed Budget for 2022 as presented and reviewed in the work session. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

14. PERSONNEL COMMITTEE RECOMMENDATIONS:

The Personnel Committee reviewed the items as previously discussed, including a 5.5% COLA and 9 merit raises. After consideration motion was made by Mr. Ryan Westergard seconded by Mr. Howard Burningham to adopt the Personnel portion of the proposed Budget for 2022 as presented and reviewed in the work session with the addition of the engineering position. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

15. REVIEW AND ADOPT TENTATIVE BUDGET FOR 2022:

The proposed Tentative 2022 Budget was submitted for acceptance. After review, discussion and a few changes motion was made by Mr. Randy Lewis seconded by Mr. John Davies to adopt the proposed Tentative 2022 Budget as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

16. SET PUBLIC HEARING (12/2/21):

Motion was made by Mr. Randy Lewis seconded by Mr. Howard Burningham to authorize the Public Hearing to commence on 2 December 2021. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

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

Progress on construction of the South Plant Rehabilitation & Nutrient Removal Project is satisfactory. A recent review with the engineer and contractor determined that we will see as much as a 90-day delay in completion of the project due to significant problems with equipment deliveries. Current economic conditions are making this a problem for all construction and many other activities.

18. NORTH PLANT REHABILITATION & NUTRIENT REMOVAL PROJECT - REPORT:

Significant work on the North Plant has been delayed. We are waiting for the finalization of a new discharge permit for the North Plant. The final draft of the new permit has been published with public notice. Having final permit limits now allows us to proceed with preparation of plans and specs for the new facilities. The new limits significantly increase the size of this project and its budget. The final cost estimate is in excess of \$65 million.

19. WASATCH RESOURCE RECOVERY (WRR) - REPORT:

The schedule for the installation of a new compressor for the gas conditioning skid has been delayed several weeks because of delivery issues. We are having trouble with the delivery of a new transformer for this equipment. The amount and variety of feed stock continues to grow.

20. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 18 November 2021, 5:00 p.m.

21. DISMISSAL:

The meeting ended at 7:12 p.m.



Clerk



Chairman, Board of Trustees