

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
15 June 2023

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:

Howard Burningham	Chair
Mark Preece	Vice-Chair
Len Arave	Trustee (via videoconference)
Gina Hirst	Trustee (via videoconference)(exc. 6:50 pm)
Brian Horrocks	Trustee
Kendalyn Harris	Trustee (via videoconference)
Ryan Westergard	Trustee

Others meeting with the Board:

Matt Myers	General Manager/Treasurer
Mark Katter	Accounting Manager/Clerk
Lanese Hendrickson	Assistant General Manager
Susanne Monsen	Administrative Asst/Asst Clerk
Gary Davis	Resident, Bountiful
Beverly Westle	EIP Ventures
Lester Krone	EIP Ventures

1. OPEN MEETING:

The meeting was called to order at 5:05 p.m.

2. APPROVAL OF MINUTES:

The Chair asked for comments of the regular Board Meeting held 18 May 2023. After consideration motion was made by Brian Horrocks seconded by Mark Preece to accept the Minutes as presented. Motion carried with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye",

3. BUDGET REPORT:

A. REPORT ON G&A BUDGET OVERAGE.

In the May Board Meeting Ryan Westergard commented that expenses for G&A payroll and benefits were outpacing the budget. Staff researched and confirmed that this was a budgeting error. Historically, some office staff have had their expenses dedicated to other budget categories, chiefly the collection system and treatment plant budgets. This year the decision was made to simply code all office staff into G&A to make that accounting simpler. This change was not reflected in the corresponding budget categories. As such, the collection system and treatment plants were under budget for payroll expenses and benefits while G&A was over budget. The budget has been amended by decreasing the payroll and benefit budgets for the collection system and treatment plants and by increasing the budget for G&A by that same amount. The overall payroll and benefit budgets for the entire District remain the same. This is just cleanup to reflect the current accounting practices.

B. SOUTH DAVIS SEWER DISTRICT.

The Budget Report ending May/2023 was presented for review. The combined Revenue Budget has received 40% in revenues. The Collection System is 40% expended; Treatment Plants are 47% expended; Industrial Pretreatment is 37% expended; Capital Expansion is 5% expended; Water Quality Group (JR/FB) is 33% expended; OU2 Remediation is 36% expended; Water Quality Group (UT LK) is 37% expended; and General & Admin is 44% expended. The budget ratio to calendar months is 42%.

C. WASATCH RESOURCE RECOVERY.

The Budget Report ending May/2023 was presented for review. The Revenue Budget has received 39% in Revenues and is 39% expended. The budget ratio to calendar months is 42%.

4. INVESTMENT REPORT:

Current investments (May/2023) are maintained by Zions Bank, Public Treasurers Investment Fund (PTIF) and Moreton Asset Management. Zions Trust held approximately \$7.3 million at an interest rate of 5.0620% (funds are with PTIF); PTIF held approximately \$6.1 million at an interest rate of 5.0620%; and Moreton held approximately \$1.8 million at an interest rate of 4.2179%.

5. APPROVAL OF DISBURSEMENTS:

Trustees reviewed Zions Bank check numbers 33820, 33832, 33823, and 33847. After further consideration motion was made by Mark Preece seconded by Ryan Westergard to accept the Disbursements as presented. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

A. REVIEW DISTRICT POLICY ON VEHICLE PROGRAM.

For the past several decades the District has purchased new fleet trucks from Ford annually. The District purchases the trucks on a State discount and then sells them a year later for the same price. This program saves the District the expense of maintenance and depreciation.

B. BELT PRESS RENTAL COST PROJECTIONS / ACTUAL COSTS.

The Board approved the purchase of a used belt press in the January 2023 meeting, provided that a suitable unit and price could be obtained. The cost to continue renting a belt press annually until construction is completed in 2026 is estimated at \$380,000 total, so it was desirable to find a used belt press for that sum or less. District staff (Eric Nemcek and Mike Bradshaw) were able to find a used press for \$115,000. An additional \$30,000 was needed to provide shipping and replace worn parts, making the total expense \$145,000, well under the cost for renting. The used press is running better than the rental used last year.

6. APPROVAL OF SEWER LINE EASEMENTS:

A. BOUNTIFUL DESERET FIRST CREDIT UNION - PROJECT NO. 8-20.

This Easement covers the area in this development where the sewer line is not located within the dedicated street.

Motion was made by Ryan Westergard seconded by Brian Horrocks to accept the Easement for Bountiful Deseret First Credit Union as presented. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

7. APPROVAL OF SEWER LINE DEEDS:

A. BOUNTIFUL DESERET FIRST CREDIT UNION - PROJECT NO. 8-20.

The Deed for the Bountiful Deseret First Credit Union, located in Bountiful, has been received. The total sewer costs for this development are \$3,275.00.

Motion was made by Brian Horrocks seconded by Ryan Westergard to accept the Deed for Bountiful Deseret First Credit Union. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

8. REVIEW STATUS OF 2022 AUDIT/ANNUAL FINANCIAL REPORT:

A. 2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT - GFOA AWARD.

Mark Katter reported the District received its Certificate of Achievement for Excellence in Financial Reporting for 2021 from the Governments Finance Officers Association (GFOA) of the U.S. and Canada. This is the 24th consecutive year the District has received this award.

The 2022 Audit is proceeding a little slower than anticipated. Squire & Company has needed more time to get up to speed on the District's accounting and they are doing a deep dive especially for their first year becoming acquainted with the District's accounting system. The District has been given a 30-day extension from GFOA. We will also request a 30-day extension from the State Auditor's Office. The 2022 Audit and Annual Financial Report will be presented at the July 20th Board Meeting for final review and acceptance.

9. CONSIDER 2023 CURED-IN-PLACE-PIPE (CIPP) CHANGE ORDER NO. 2:

This change results from two sections in the original bid which were identified as 18-inch diameter pipe, but are actually 21-inch diameter. This Change Order reflects upsizing the liner.

Motion was made by Gina Hirst seconded by Brian Horrocks to approve Change Order No. 2 as presented. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

10. CONSIDER REVISION TO RESOLUTION NO. 110-7 / SCHEDULE OF CHARGES & FEES:

This revision allows the District to consider exceptions to the Accessory Dwelling Unit (ADU) policy regarding sewer service fees on a case-by-case basis.

Motion was made by Ryan Westergard seconded by Mark Preece to adopt the revision to Resolution No. 110-7 as presented and to authorize staff to make those determinations. Motion carried unanimously via a roll call vote with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

11. CONSIDER ADOPTION OF RESOLUTION NO. 113-23 / CERTIFIED TAX RATE:

The County Assessor's office has calculated and forwarded the documentation for the District's certified tax rate for this budget year. Based on their assessed valuation the certified tax rate for 2023 will be .000310 and generate revenues in the amount of \$4,114,915.00.

Motion was made by Ryan Westergard seconded by Brian Horrocks to adopt the Certified Tax Rate of .000310 through Resolution No. 113-23. Motion carried unanimously via a roll call vote with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

12. CONSIDER ADOPTION OF RESOLUTION NO. 104-7 / BUILDING SEWER CONNECTIONS:

This is a complete re-write of Resolution No. 104-6 which was adopted in 2014 bringing many items into compliance with current pipe standards, bedding, building sewers (laterals), etc.

Motion was made by Mark Preece seconded by Ryan Westergard to adopt Resolution No. 104-7 as presented. Motion carried unanimously via a roll call vote with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

13. CONSIDER ADOPTION OF RESOLUTION NO. 114-2 / SEWER DESIGN AND CONSTRUCTION STANDARDS:

This is a complete re-write of Resolution No. 114-1 which was adopted in 2014 bringing many items and policies into compliance with current standards involving main line pipes, manholes, manhole lids, pipe bedding, trenching, inspection, testing and drawing details.

Motion was made by Ryan Westergard seconded by Brian Horrocks to adopt Resolution No. 114-2 as presented. Motion carried unanimously via a roll call vote with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

14. SOUTH PLANT REHABILITATION AND NUTRIENT REMOVAL PROJECT - REPORT:

Construction at the South Plant is continuing to near completion, but still experiencing scheduling delays. The final elements are finished grading, paving, landscaping, and final electrical/controls work. There is also one last piece of gas safety equipment still being fabricated.

15. NORTH PLANT REHABILITATION AND NUTRIENT REMOVAL PROJECT - REPORT:

Aqua Engineering is working on the technical design which is due to the State by September.

A. CONSIDER PURCHASE OF DIGESTER PUMPS.

The work to replace these pumps and their supporting valves was intended for the coming construction. However, plant operations need to take down the digesters this summer/fall to clean them, and that is the opportune time to perform this work. Previously the board approved the purchase of the valves for this project and now quotations have been solicited for the pumps. Three bids were received ranging from \$45,795 to \$139,647.

Motion was made by Brian Horrocks seconded by Mark Preece to purchase two Vaughn centrifugal pumps from Goble Sampson in the amount of \$45,795.00 each as discussed. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

16. WASATCH RESOURCE RECOVERY (WRR) PROJECT - REPORT:

WRR is operating consistently in most areas, with the exception of the feed gas compressor at the upgrading skid. It is still experiencing vibration problems. The only way to identify the problem at this point is to fix/replace items until the vibration is mitigated. Most recently new insulated motor bearings were installed as well as electrical line filters to mitigate any stray current that could be causing fluting damage in the motor bearings. This has helped the motor end vibration, but the compressor end is still vibrating significantly at higher speeds. Consequently, the compressor is unable to exceed 71-72% speed and we are not able to make use of all the gas produced, as some gets shunted to flare. The next steps are to get into the compressor end to make changes/replacements and we are waiting on guidance from the manufacturer on this effort. WRR still manages depackaging and descaling issues as we continue to find new potential feedstocks.

17. GENERAL MANAGER'S REPORT:

A. SACKETT VS. EPA.

The US Supreme court ruled on this Idaho case which has major ramifications for wetlands delineations nationwide. New rules will be developed over the coming year or so that could make it such that the District's parcel on the east side of the Legacy Parkway is no longer encumbered with wetlands.

B. UTAH LAKE RESTORATION.

The Wasatch Front Water Quality Council has been working with the Utah Lake Commission on research and other issues regarding Utah Lake. This is a good investment of resources as some of the same research on Utah Lake is relevant to the Great Salt Lake. A brochure on Utah Lake restoration was shared with the Board.

18. APPROVAL TO CLOSE THE MEETING TO DISCUSS THE SALE OF REAL PROPERTY:

Motion was made by Brian Horrocks seconded by Mark Preece to go into closed session. Motion carried unanimously via a roll call vote with Trustees Burningham, Arave, Preece, Horrocks, Harris and Westergard voting "aye".

The Chair declared the meeting closed at 6:53 p.m.

Motion was made by Brian Horrocks seconded by Kendalyn Harris to return to the open session of the meeting. Motion carried unanimously with Trustees Burningham, Arave, Preece, Horrocks, Harris and Westergard voting "aye".

The Chair declared the meeting opened at 7:25 p.m.

19. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 20 July 2023, 5:00 p.m.

20. DISMISSAL:

The Chair declared the meeting adjourned at 7:26 p.m.



Clerk



Chair, Board of Trustees