

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
19 January 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
Gina Hirst	Trustee
Brian Horrocks	Trustee
Kendalyn Harris	Trustee
Ryan Westergard	Trustee

Others meeting with the Board:

Matt Myers	General Manager
Mark Katter	Accounting Manager/Clerk
Lanese Hendrickson	Asst General Manager
Susanne Monsen	Administrative Asst/Asst Clerk
Mark Anderson	Attorney/Fabian Vancott
Matt Millis	Financial Consultant
Brad Rasmussen	Aqua Engineering
Carl Pond	Resident/North Salt Lake
Deby Marshall	Resident/West Bountiful

1. OPEN MEETING:

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

2. APPROVAL TO CLOSE THE MEETING TO DISCUSS THE CHARACTER, PROFESSIONAL COMPETENCE OR PHYSICAL OR MENTAL HEALTH OF AN INDIVIDUAL:

Motion was made by Ryan Westergard seconded by Brian Horrocks to go into closed session. A roll call vote was conducted with Trustees Burningham, Preece, Hirst, Horrocks, Harris and Westergard voting "aye".

The Chair declared the meeting closed at 5:09 p.m.

Motion was made by Brian Horrocks seconded by Mark Preece to return to open session. Motion carried unanimously with Trustees Burningham, Preece, Hirst, Horrocks, Harris and Westergard voting "aye".

The Chair declared the meeting open at 5:35 p.m.

3. CONSIDER MID-TERM BOARD MEMBER APPOINTMENT:

Mark Anderson stated that for the purpose of full disclosure Carl Pond was voted by the Board at the last meeting to fill the mid-term vacancy. Carl Pond is Howard Burningham's son-in-law, but this was not disclosed in open public meeting prior to the vote. Mark's research concluded under the law nothing illegal occurred as it does not fall under the anti-nepotism statute. Mark verified this with the Lt. Governor's office which is over the administration of elections in the State of Utah. They reviewed with their attorney's and were of the same opinion as Mark Anderson. A Board Member is not an employee of the District and will not be supervised by the Chair or anyone else. Therefore, the nepotism statute does not apply. However, there was a lack of transparency with no intent of malice. Mark recommended/advised a public declaration of the conflict and that the Chair should abstain from voting on any motion relative to filling the vacancy.

Motion was made by Brian Horrocks seconded by Gina Hirst to rescind the mid-term appointment made at the January 12th board meeting. Motion carried with Trustees Preece, Hirst, Horrocks, Harris and Westergard voting "aye". Trustee Burningham abstained.

The Board reviewed the best way to proceed to make this appointment. Mark Anderson reminded Trustees that all votes are public record. Howard Burningham stated he would abstain from this round of voting. The final vote was in favor of Len Arave with Carl Pond as runner up.

Motion was made by Brian Horrocks seconded by Mark Preece to appoint Len Arave to fill the mid-term Board Member vacancy. In the event Len Arave declines the appointment Carl Pond would be the next appointment. Motion carried with Trustees Preece, Hirst, Horrocks, Harris and Westergard voting "aye". Howard Burningham abstained.

4. MINUTES:

The Chair asked for comments of the regular Board Meeting held 1 December 2022. After consideration motion was made by Gina Hirst seconded by Ryan Westergard to accept the Minutes as presented. Motion carried unanimously with Trustees Burningham, Preece, Hirst, Horrocks, Harris and Westergard voting "aye".

The Chair then asked for comments of the special Board Meeting held 12 January 2023. After consideration motion was made by Gina Hirst seconded by Ryan Westergard to accept the Minutes as presented. Motion carried unanimously with Trustees Burningham, Preece, Hirst, Horrocks, Harris and Westergard voting "aye",

5. APPOINT GENERAL MANAGER/TREASURER:

Tomorrow, January 20th, will be the last official day for Dal Wayment as the General Manager and employee of the District. Matt Myers was appointed by the Board as the Acting General Manager in August 2022 to fill the position in the interim. After further discussion motion was made by Kendalyn Harris seconded by Ryan Westergard to appoint Matt Myers as the General Manager and Treasurer for the South Davis Sewer District. Motion carried unanimously with Trustees Burningham, Preece, Hirst, Horrocks, Harris and Westergard voting "aye".

6. APPOINT AUDIT COMMITTEE:

The Chair recommended the following Trustees serve on the Audit Committee; Mark Preece/Chair, Kendalyn Harris/Member, Len Arave/Member. Motion was made by Brian Horrocks seconded by Gina Hirst to appoint the Audit Committee members as recommended by the Chair. Motion carried unanimously with Trustees Burningham, Preece, Hirst, Horrocks, Harris and Westergard voting "aye".

7. REPORT ON DRAFT IMPACT FEE ANALYSIS AND IMPACT FEE FACILITIES PLAN:

Matt Millis (CapEx Planning, LLC) presented an impact fee update to the Board. He reviewed the need to regularly update impact fees (every 5-6 years) to ensure assumptions are current with facility plans and the law. He noted that work was still underway to fine-tune the draft impact fee with the intent of presenting the final impact fee on February 16th at a public hearing.

Mr. Millis explained that increases in residential and non-residential demands will require additional treatment and collection capacity. He went onto explain that flows are not growing at the same rate as population and that wastewater strength is increasing more quickly than flows, placing more constraints on treatment capacity. He addressed impact fee eligible costs and noted that those costs would be reduced by the amount of ARPA grant funds the District expects to receive.

A notice of public hearing with the final impact fee will be issued on February 2nd, in accordance with noticing procedures. An impact fee resolution will be prepared for Board adoption with the maximum final impact fees. The Board can adopt a lower amount than what it presented and can table the discussion and adopt at a later date. The new impact fee cannot be collected until 90 days after adoption of the resolution.

8. BUDGET REPORT:

A. SOUTH DAVIS SEWER DISTRICT.

The unaudited final Budget Report ending December/2023 was presented for review. The combined Revenue Budget has received 95% in revenues; the Collection System is 92% expended; Treatment Plants are 121% expended; Industrial Pretreatment is 111% expended; Capital Expansion is 101% expended; Water Quality Group (JR/FB) is 69% expended; OU2 Remediation is 94% expended; Water Quality Group (Utah Lake) is 107% expended; and General & Admin is 94% expended. The budget ratio to calendar months is 100%.

B. WASATCH RESOURCE RECOVERY (WRR).

The unaudited final Budget Report ending December/2022 for WRR was presented for review. The Revenue Budget has received 46% in revenues and is 109% expended. The budget ratio to calendar months is 100%

9. INVESTMENT REPORT:

Current investments (December/2022) are maintained by Zions Bank, Public Treasurer's Investment Fund (PTIF) and Moreton Asset Management. Zions Trust held approximately \$8.6 million at an interest rate of 3.8534% (funds are with PTIF); PTIF held approximately \$4.5 million at an interest rate of 3.8534%; and Moreton held approximately \$1.8 million at an interest rate of 3.6732%.

10. APPROVAL OF DISBURSEMENTS:

Trustees reviewed Zions Bank check numbers 33197 and 33365. After consideration and some review motion was made by Gina Hirst seconded by Brian Horrocks to accept the Disbursements as presented. Motion carried unanimously with Trustees Burningham, Preece, Hirst, Horrocks, Harris and Westergard voting "aye".

11. CONSIDER SALE OF 2019 FORD EXPEDITION:

This vehicle has been used by Dal Wayment for the past four years without selling annually as with some of the District's other vehicles. Dal would like to purchase this vehicle. Marty Marsing, the District's Collection System Superintendent oversees the District's vehicle program. He reviewed current market value for this make and model vehicle with ksl.com, Kelly Blue Book, etc. as well as current trade-in value with J. D. Powers. Based on his research the average value of this vehicle is \$41,000. Mark Anderson reviewed State Statute guidelines regarding the sale of surplus property. Different options were discussed including advertising on ksl.com, utilizing Public Surplus (auction), etc.

Motion was made by Brian Horrocks seconded by Mark Preece to place the vehicle with Public Surplus for auction with a minimum bid price starting at \$41,005. Motion carried unanimously with Trustees Burningham, Preece, Hirst, Horrocks, Harris and Westergard voting "aye".

Several years ago, Dal purchased a new pipe bender for his personal use. He had no place to store this equipment and the Collection System shop had need of this type of equipment for District purposes and has used it for the past 15-20 years. Dal has no use for the pipe bender and would like to sell it to the District. Research shows the average of new and used pipe benders is \$2,132.

Motion was made by Gina Hirst seconded by Ryan Westergard to authorize the purchase of the pipe bender in the amount of \$2,132. Motion carried unanimously with Trustees Burningham, Preece, Hirst, Horrocks, Harris and Westergard voting "aye".

12. CONSIDER SALE OF MISCELLANEOUS SURPLUS ITEMS:

There are several items which the District no longer has need of. Staff requests that these items be placed with Public Surplus for auction. Motion was made by Kendalyn Harris seconded by Brian Horrocks to approve the sale of the miscellaneous surplus items through Public Surplus as presented. Motion carried unanimously with Trustees Burningham, Preece, Hirst, Horrocks, Harris and Westergard voting "aye".

13. CONSIDER PURCHASE OF USED DEWATERING EQUIPMENT/BELT PRESS:

At the suggestion of Kendalyn Harris, staff researched the cost of purchasing new or used dewatering equipment for the North Plant rather than renting this equipment during the North Plant upgrade and construction for the next four years. This equipment could later be used as a backup at the South Plant when North Plant construction is completed. Cost projections including monthly rental fees and transportation costs were reviewed. If a belt press could be scheduled for 2023 through 2026 these costs would be approximately \$380,000.

Quotes for dewatering equipment were received from four different vendors ranging from \$200,000 to \$625,000. The Board reviewed each of the quotes and the benefits of each type of equipment.

Motion was made by Kendalyn Harris seconded by Mark Preece to authorize the purchase of dewatering equipment up to \$380,000. Motion carried unanimously with Trustees Burningham, Preece, Hirst, Horrocks, Harris and Westergard voting "aye".

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

The District is working closely with Aqua Engineering on options and design for the North Plant Rehabilitation and Nutrient Removal Project.

15. DIVISION OF WATER QUALITY (DWQ) NOTICE OF VIOLATION (NOV) - REPORT:

The District has been issued a Notice of Violation for the North Plant for ammonia exceedances. We are formally requesting that DWQ issue year-round mass-based limits as an interim measure until rule amendments and water quality criteria changes are made and we can complete our North Plant upgrades.

16. CONSIDER SELECTION OF NORTH PLANT UPGRADE TECHNOLOGY AND SCOPE:

The following options/alternatives and the benefits and cost of each, were reviewed:

	<i>ALTERNATIVE</i>	<i>20-YEAR NPV</i>
1	Eco Recover with MBBR	\$99,924,000
2	Eco Recover with More Capacity	\$80,915,000
3	MBBR and Ferric Addition	\$82,713,000

Alternative #2 is essentially off the table because the compliance schedule we have from the State doesn't give us the luxury of waiting to prove out Eco Recover. The phased approach the District proposed in its updated Facility Plan submitted to DWQ last October (Alternative #1) which would include immediate design and construction of a moving bed bioreactor (MBBR) treatment with provisions to implement Eco Recover, received some push-back from the State. It would also be more expensive. Under Alternative #3, we would eliminate Eco Recover and build out MBBR for a 20-year solution.

Motion was made by Kendalyn Harris seconded by Gina Hirst to approve Alternate #3. Motion carried unanimously with Trustees Burningham, Preece, Hirst, Horrocks, Harris and Westergard voting "aye".

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

We are preparing to replace influent gates and screens at the South Plant, which will necessitate bypass pumping around the headworks screening area. The District will cover a 12-hour shift during the day and an outside contractor will cover the other 12-hour shift. Work is expected to take approximately one month.

The District recently sent three employees to Houston for training on the Lone Star Blower utilized with MBBR at the South Plant.

The District has a DWQ compliance evaluation inspection next week.

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

Staff was happy to report that gas was going to grid at WRR and the new compressor was working well. Feedstock continues to be an on-going problem as does scaling in our piping and equipment.

19. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 16 February 2023, 5:00 p.m.

20. DISMISSAL:

The Chair declared the meeting adjourned at 7.51 p.m.



Clerk



Chair, Board of Trustees