

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
18 May 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)
Brian Horrocks	Trustee (arr. 5:05 pm)
Kendalyn Harris	Trustee (arr. 5:06 pm, exc. 6:48 pm)
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
Deby Marshall	Resident, West Bountiful
Ron Mortensen	Resident, Bountiful

1. OPEN MEETING:

The meeting was called to order at 5:02 p.m.

2. APPROVAL OF MINUTES:

The Chair asked for comments of the regular Board Meeting held 27 April 2023. After consideration motion was made by Ryan Westergard seconded by Mark Preece to accept the Minutes as presented. Motion carried with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Westergard voting "aye",

3. BUDGET REPORT:

A. SOUTH DAVIS SEWER DISTRICT.

The Budget Report ending April/2023 was presented for review. The combined Revenue Budget has received 38% in revenues. The Collection System is 30% expended; Treatment Plants are 36% expended; Industrial Pretreatment is 28% expended; Capital Expansion is 4% expended; Water Quality Group (JR/FB) is 24% expended; OU2 Remediation is 30% expended; Water Quality Group (UT LK) is 27% expended; and General & Admin is 45% expended. The budget ratio to calendar months is 34%.

B. WASATCH RESOURCE RECOVERY.

The Budget Report ending April/2023 was presented for review. The Revenue Budget has received 34% in Revenues and is 31% expended. The budget ratio to calendar months is 34%.

4. INVESTMENT REPORT:

Current investments (April/2023) are maintained by Zions Bank, Public Treasurers Investment Fund (PTIF) and Moreton Asset Management. Zions Trust held approximately \$7.6 million at an interest rate of 4.9377% (funds are with PTIF); PTIF held approximately \$7.2 million at an interest rate of 4.9377%; and Moreton held approximately \$1.8 million at an interest rate of 4.9096%.

A. 2022 AUDIT UPDATE.

Staff will meet with the District's new auditor, Squire & Company, PC, to review the 2022 audit progress as well as submittal deadlines.

5. APPROVAL OF DISBURSEMENTS:

Trustees reviewed Zions Bank check numbers 33750, 33753 and 33799. After further consideration motion was made by Brian Horrocks seconded by Mark Preece to accept the Disbursements as presented. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

6. APPROVAL OF SEWER LINE AGREEMENTS:

A. WESTERN FAB HANGARS - PROJECT NO.21-23.

Matt Myers recommended the Agreement for Western Fab Hangars, located at 2125 South Redwood Road in Woods Cross, known as Project No, 2-23, be accepted.

Motion was made by Ryan Westergard seconded by Brian Horrocks to accept the Agreement for Western Fab Hangars. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

7. CONSIDER ADOPTION OF RESOLUTION NO. 110-7 - SCHEDULE OF CHARGES & FEES:

This is a complete re-write of Resolution No. 110-6 due to the number of changes including the new impact fee rate as presented and approved in February. We have also revised subdivision application fees and added a section on accessory dwelling units (ADUs) per prior Board review and approval. We have also updated District equipment charges as shown.

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

8. CONSIDER APPROVAL OF CHEMICAL BIDS:

Bids for chemicals used by the District and Wasatch Resource Recovery were opened on 5/16/23. These chemicals included sodium hypochlorite, sodium bisulfite, ferric sulfate, ferric chloride, aluminum sulfate, sulfuric acid, caustic soda, magnesium chloride and phosphoric acid. Bids were received from six vendors, but not all vendors bid on all chemicals.

Motion was made by Ryan Westergard seconded by Brian Horrocks to approve multiple awards to the low bidders as presented. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

9. PFAS LITIGATION UPDATE:

PFAS chemicals are known to be harmful, but regulatory authorities are still trying to figure out how to address them and standards are not yet available for the wastewater industry. Courts are being flooded with lawsuits and one of the concerns is how things will play out in cases that include claims against the wastewater industry even though the industry isn't generating PFAS chemicals. The District has begun taking samples on a quarterly basis to characterize these chemicals in the influent, effluent and biosolids at each plant. Staff will continue to follow this issue and report back to the Board as more information and data become available.

10. RATE STUDY UPDATE:

Excess water and special treatment charges for business/commercial/industrial users included in Resolution No. 110-7 have not been updated for some time. The District will work with Matt Millis to determine the appropriate excess water surcharge rate as well as special treatment charges for BOD, COD and TSS to ensure that business/commercial/industrial users are paying their share of treatment costs. The goal is to have this ready before the January/2024 billing.

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

This project is getting close to completion. The new screens are operational and working well. An additional 4-5 feet of height has been added to the MBBR tank to catch foam. In advance of paving operations, which are expected to be completed soon, District staff installed additional conduit and water lines for future use.

The District violated its monthly average limit for effluent TSS in the months of March and April. These violations were attributed to bypass operations related to influent screen and gate installations, which were communicated to the Division of Water Quality in advance of the work. To date, we are back in compliance for May.

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

The District has been reviewing ways to finance the North Plant Project. In addition to bonding, other alternatives look attractive.

A. WIFIA PROGRAM LOANS.

Staff has reviewed the requirements associated with the WIFIA (Water Infrastructure Finance and Innovation Act) program and has submitted a letter of interest. WIFIA loans function as a line of credit with interest paid only on the amount drawn. Payments can be deferred and there is no pre-payment penalty. These loans can be used to fund a maximum of 49% of project costs and are subject to all requirements for use of federal funds, including American Iron and Steel/Build America, Buy America, Davis-Bacon and Disadvantaged Business Enterprises. These requirements will increase overall project costs.

B. STATE REVOLVING FUND LOAN.

The District previously applied for and was approved to receive \$14.76 million in funding for work at the South Plant, but staff has been told that the State Water Quality Board will not have funds available until 2025. The advantage when it comes to this type of loan is that it comes with a low interest rate, but just like WIFIA loans, State Revolving Fund loans are subject to all requirements for use of federal funds. Staff will continue to pursue this as an option for financing the North Plant Project.

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

When it comes to operation of the Gas Upgrading Skid (GUS), the motor/compressor is one of our biggest problems. The compressor motor has been sent to Tram for replacement of bearings with insulated bearings. We will also be installing line reactors to try to smooth out any errant power that could have contributed to the vibration issues we've seen. The motor should be returned to site next week to tune up and put back in service. This work is expected to help maximize gas going to grid. This year has been better than last year, but we're still not where we want to be. Cumulatively, we've had about 3-4 weeks of downtime year-to-date.

Operations staff is doing a great job in receiving. It's a daily grind and dealing with scaling/plugging throughout the plant has become a routine issue. We recently did some analysis to characterize the scale and found a lot of magnesium and calcium, but we believe the composition of the scale changes with changes in feedstock.

Efforts are ongoing to identify new potential sources of food waste and sampling efforts have been increased to evaluate the value of the incoming feedstock. We've had a couple of days where we've hit/exceeded hydraulic capacity, putting us in a position to look at eliminating lower strength material and increasing tip fees.

14. GENERAL MANAGER'S REPORT:

A. SENATE BILL 34.

SB34 from the last legislative session would have eliminated property tax as a revenue source for water/wastewater utilities. Matt Myers volunteered to be part of a work group to study the effects of eliminating collection of property taxes by special districts and what it would look like when it comes to user rates.

B. RESOLUTION NO. 111 - PERSONNEL POLICIES & PROCEDURES
RESOLUTION NO. 112 - BOARD OF TRUSTEE POLICIES AND PROCEDURES.

Staff is working with legal counsel to bring these Resolutions and policies into compliance with current State Statute and federal requirements.

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

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

The Chair declared the meeting closed at 6:48 p.m.

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

The Chair declared the meeting opened at 7:02 p.m.

16. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 15 June 2023, 5:00 p.m.

17. DISMISSAL:

The Chair declared the meeting adjourned at 7:03 p.m.



Clerk



Chair, Board of Trustees