

SOUTH DAVIS SEWER DISTRICT  
BOARD OF TRUSTEES  
REGULAR MEETING  
17 October 2024

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
Gina Hirst	Trustee
Brian Horrocks	Trustee
Kendalyn Harris	Trustee

Excused:

Ryan Westergard	Trustee
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Others meeting with the Board:

Matt Myers	General Manager/Treasurer
Mark Katter	Accounting Manager/Clerk
Lanese Hendrickson	Assistant General Manager
Candice Venn	Accounting Clerk
Jacob Scott	Resident, Centerville

1. OPEN REGULAR MEETING:

The Chair called the meeting to order at 5:06 p.m.

2. PUBLIC COMMENTS:

None

3. APPROVAL OF MINUTES:

The Chair asked for comments of the regular Board Meeting held 19 September 2024. 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 and Harris voting "aye".

4. BUDGET REPORT:

A. SOUTH DAVIS SEWER DISTRICT.

The Budget Report ending September/2024 was presented for review. The combined Revenue Budget has received 80% in revenues; The Collection System is 62% expended; Treatment Plants are 84% expended; Industrial Pretreatment is 67% expended; Capital Expansion is 42% expended; Water Quality Group (JR/FB) is 64% expended; OU2 Remediation is 51% expended; Water Quality Group (Utah Lake) is 63% expended; and General & Admin is 41% expended. The budget ratio to calendar months is 74%.

B. WASATCH RESOURCE RECOVERY (WWR).

The Budget Report ending September/2024 for WRR was presented for review. The Revenue Budget has received 63% in revenues and is 64% expended. The budget ratio to calendar months is 74%.

5. INVESTMENT REPORT:

Current investments (September/2024) are maintained by Zions Bank, Public Treasurer's Investment Fund (PTIF) and Moreton Asset Management. Zions Trust held approximately \$3.2 million at an interest rate of 5.3241% (funds are with PTIF); PTIF held approximately \$9.3 million at an interest rate of 5.3241%; and, Moreton held approximately \$1.9 million at an interest rate of 4.3186%.

6. APPROVAL OF DISBURSEMENTS:

Trustees reviewed Zions Bank check numbers 35567 and 35590. After consideration and some review motion was made by Len Arave seconded by Gina Hirst to accept the Disbursements as presented. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

7. AMERICAN RESCUE PLAN ACT (ARPA) UPDATE:

The Board reviewed a letter generated by the District regarding the ARPA Agreement between participating cities and the District. The District had originally requested ARPA funding from all five cities served by the District as well as Davis County, to spend toward the North Plant Upgrade Project. Davis County granted the District \$1 million, which has been collected and used toward engineering services for the project. Four other cities within the District also committed some of their ARPA funding toward the project. However, cost overruns on ARPA-funded city projects and other factors have caused these cities to ask us to reconsider our needs. Additionally, some cities were only interested in allocating ARPA funds to the District if all the other cities also participated, which isn't the case. The District has decided to no longer pursue ARPA funds from these cities. The Subrecipient Agreement will expire on 12/31/24.

8. AWARD 2025 CURED-IN-PLACE-PIPE (CIPP) CONTRACT:

Lanese Hendrickson presented a summary of the CIPP bids received for the 2025 budget year. Five bids were received which ranged from approximately \$485,000 to \$998,000. After consideration motion was made by Kendalyn Harris seconded by Gina Hirst to award the 2025 CIPP contract to Planned and Engineered Construction, Inc. (PEC) in the amount of \$484,975.00. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

9. CONSIDER BONDING UPDATE AND APPROVAL TO SIGN TERM SHEET:

Matt Myers reported that the District had issued a request for bids for direct placement bonds for the first tranche of financing for the North Plant Upgrade Project with bids due back on 11/1/24. Further discussion included the advantages and disadvantages of direct placement vs. public placement bonds, bond rating requirements, closing costs and timelines,

Motion was made by Mark Preece seconded by Brian Horrocks to move forward with consideration of direct placement bonds and let the Audit Committee (Mark Preece, Kendalyn Harris and Len Arave) review the bids and report back to the Board at the November Board Meeting. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

10. CONSIDER BUILDERS RISK INSURANCE PROPOSAL:

The Board was presented with proposals for builder's risk insurance for the North Plant Upgrade Project. Matt Myers reported that it is the District's practice to carry the insurance to avoid contractor mark-ups and ensure we were satisfied with coverages provided. This was the model for the South Plant Upgrades. The Board was advised that the District will move completed process units and facilities from Builder's Risk to its regular insurance policy as the project progresses and will receive a pro-rated refund once that work is done. The Board would like staff to pursue discounts and do additional diligence regarding this policy.

Motion was made by Brian Horrocks seconded by Kendalyn Harris to move ahead with the insurance coverage as discussed. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

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

Staff reviewed the project schedule for the North Plant Upgrade Project. Critical path items have been prioritized in accordance with the District's compliance schedule to ensure compliance with lower discharge limits for ammonia that go into effect in September 2026, but some work may not be completed until early 2028.

A. CONSIDER CHANGE ORDER NO. 1.

Several items were missing or overlooked in the bid documents for the North Plant Upgrade Project that will have to be addressed via change order. Some of this is an artifact of being on a time crunch with the State, limiting the time we had to complete and review the documents before the project went to bid. Among the items addressed in Change Order No. 1 include:

- Modify MBBR aeration piping material;
- add missing utilities for the Administration Building;
- add door closers; and
- provide additional rebar for reinforcement of Administration Building walls.

Since the new primary clarifier was included in the bid as deductive alternate, staff has directed the contractor not to do any additional work related to it until further notice.

Motion was made by Kendalyn Harris seconded by Mark Preece to approve Change Order No. 1 which is an increase to the North Plant Upgrade Project in the amount of \$58,658.00. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

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

The District is still operating WRR and continues to routinely address equipment wear and tear that results in the need for rehabilitation or replacement. There has been an increase in feedstock, which is good, but have been waiting for new dewatering screws so throughput on the back end of the facility has been reduced. Gas sales have been fairly consistent as of late.

13. CONSIDER ODOR IMPROVEMENTS AT WRR:

The odor improvements the District has made to date have not been sufficient. As a result, the District is pursuing additional improvements primarily focused at present on the hydrolysis buffer tank and biofilter. The rough cost identified for these improvements and the amount included in the 2025 budget is \$2 million. No motion was made by the Board regarding odor improvements outside of adopting the tentative budget for 2025.

14. REVIEW RECOMMENDED REVISIONS TO 2024 BUDGET:

The 2024 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.

15. CONSIDER RESOLUTION NO. 107-24 (1ST AMENDMENT) - 2024 BUDGET:

Motion was made by Gina Hirst seconded by Len Arave to amend the 2024 Budget through Resolution No. 107-24 (1st Amendment) as presented. Motion carried unanimously via a roll call vote with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

16. CONSIDER ENGINEERING COMMITTEE RECOMMENDATIONS FOR THE PROPOSED 2025 TENTATIVE BUDGET:

After consideration motion was made by Brian Horrocks seconded by Gina Hirst to adopt the Engineering portion of the proposed Budget for 2025 as presented and reviewed in the Work Session. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

17. CONSIDER PERSONNEL COMMITTEE RECOMMENDATIONS FOR THE PROPOSED 2025 TENTATIVE BUDGET:

The Personnel Committee reviewed the items as previously discussed, including a 3.5% COLA and merit raises as recommended by Management. After consideration motion was made by Gina Hirst seconded by Mark Preece to adopt the Personnel portion of the proposed Budget for 2025 as presented and reviewed in the Work Session. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

18. REVIEW AND ADOPT TENTATIVE BUDGET FOR 2025:

After consideration motion was made by Len Arave seconded by Brian Horrocks to adopt the Tentative 2025 Budget as presented and reviewed in the Work Session. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

19. SET PUBLIC HEARING (12/5/24):

Motion was made by Gina Hirst seconded by Len Arave to authorize the Public Hearing to adopt the final 2025 Budget on 5 December 2024. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

20. GENERAL MANAGER'S REPORT:

A. PFAS.

Matt Myers reviewed the latest media reports related to PFAS. He reported that there is a significant amount of litigation surrounding PFAS, but regulation is slow to catch up. Drinking water maximum contaminant levels have been set at 4 parts per trillion (ppt) and Michigan has set a biosolids limit of 20 µg/kg for land application without any restriction on application rates, but there are no federal standards for wastewater or biosolids at present. We are fortunate in Utah that there aren't many PFAS manufacturers.

The District has been sampling its influent, effluent and biosolids on a quarterly basis since the last quarter of 2022. A comparison of levels of PFOA and PFOS were presented. The District is generally well under the Michigan limit for unrestricted application of biosolids and not too far in excess of drinking water standards in liquid discharge by way of reference. Not surprisingly, levels of PFOA and PFOS have generally been higher at the South Plant where there is more industry than the North Plant.

B. LEGISLATION.

Matt Myers reported that the Wasatch Front Water Quality Council has been working on some legislation for this session related to how the Utah Division of Water Quality (DWQ) imposes penalties and addresses appeals. Additional information will be forthcoming as it becomes available.

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

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

The Chair declared the meeting closed at 6:46 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 Harris voting "aye".

The Chair declared the meeting opened at 6:46 p.m.

22. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 21 November 2024, 5:00 p.m.

23. DISMISSAL:

The Chair declared the meeting adjourned at 7:06 p.m.



Howard Bunn  
Chair, Board of Trustees



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Clerk