

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
16 November 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
Gina Hirst	Trustee
Brian Horrocks	Trustee (via videoconference)(exc. 6:10 pm)
Kendalyn Harris	Trustee
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
Jacob Scott	Staff Engineer
Ron Mortensen	Resident, Bountiful
Deby Marshall	Resident, West Bountiful

1. OPEN MEETING:

The Chair called the meeting to order at 5:00 p.m.

2. APPROVAL OF MINUTES:

The Chair asked for comments of the Work Session Meeting held 19 October 2023. After consideration motion was made by Gina Hirst seconded by Mark Preece to accept the Minutes as presented. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Harris and Westergard voting "aye".

The Chair then asked for comments of the regular Board Meeting held 19 October 2023. After consideration motion was made by Gina Hirst seconded by Mark Preece to accept the Minutes as presented. Motion carried with Trustees Burningham, Arave, Hirst, Preece, Harris and Westergard voting "aye".

3. BUDGET REPORT:

A. SOUTH DAVIS SEWER DISTRICT.

The Budget Report ending October/2023 was presented for review. The combined Revenue Budget has received 83% in revenues. The Collection System is 69% expended; Treatment Plants are 95% expended; Industrial Pretreatment is 75% expended; Capital Expansion is 49% expended; Water Quality Group (JR/FB) is 71% expended; OU2 Remediation is 54% expended; Water Quality Group (UT LK) is 66% expended; and General & Admin is 80% expended. The budget ratio to calendar months is 83%.

B. WASATCH RESOURCE RECOVERY.

The Budget Report ending October/2023 was presented for review. The Revenue Budget has received 70% in Revenues and is 75% expended. The budget ratio to calendar months is 83%.

4. INVESTMENT REPORT:

Current investments (October/2023) are maintained by Zions Bank, Public Treasurers Investment Fund (PTIF) and Moreton Asset Management. Zions Trust held approximately \$5.9 million at an interest rate of 5.3590% (funds are with PTIF); PTIF held approximately \$6.4 million at an interest rate of 5.3590%; and Moreton held approximately \$1.9 million at an interest rate of 4.6590%.

5. APPROVAL OF DISBURSEMENTS:

Trustees reviewed Zions Bank check numbers 34362, 34418 and 34422. After further consideration 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, Harris and Westergard voting "aye".

6. APPOINT AUDITOR - 2023 AUDIT:

Staff recommended retaining the auditing firm of Squire & Company PC to perform the 2023 Audit. The work completed by Squire & Company PC will include a Single Audit, which the District is subject to because it has expended more than \$750,000 in American Rescue Plan Act (ARPA) funds under its Subrecipient Agreement with Davis County. After some discussion motion was made by Ryan Westergard seconded by Mark Preece to appoint Squire & Company PC to perform the 2023 audit. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

7. REVIEW RECOMMENDED REVISIONS TO 2023 BUDGET:

Several of the 2023 Budget line items have exceeded the original appropriation. After looking at current trends and estimates to the end of the year several items were adjusted to reflect actual experience to date and to balance the overall Budget.

8. CONSIDER RESOLUTION NO. 107-23 (1ST AMENDMENT-2023 BUDGET):

Motion was made by Ryan Westergard seconded by Gina Hirst to amend the 2023 Budget through Resolution No. 107-23 (1st Amendment) as presented. Motion carried unanimously via a roll call vote with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

9. CONSIDER RESOLUTION NO. 111-5 / PERSONNEL POLICIES AND PROCEDURES:

As discussed at last month's Board Meeting, two areas to be reviewed were the scheduled holiday closures and personal use of public property. The Board recommended District employees vote on the preferred holiday leave. This vote determined that the previous holiday schedule would continue in place.

Personal use of public property has been reviewed by legal counsel and the recommendations have been incorporated into the Resolution. The Board had some concerns with the policy and made the following suggestions : 1) no one under 18 years of age shall be allowed to use District property, 2) employees seeking to utilize District shops after hours must use a sign-in sheet, 3) everyone will be required to sign a liability waiver, including those accompanying the employee, 4) replacement of tools or other items damaged or broken while being used by the employee is the responsibility of the employee, and 5) visitors must be accompanied by an employee at all times.

Motion was made by Gina Hirst seconded by Kendalyn Harris to adopt Resolution No. 111-5, Personnel Policies and Procedures subject to legal review of the liability waiver as discussed and review of the revised wording by the Board at the December meeting. Motion carried unanimously via a roll call vote with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

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

A. AWARD PRELOAD CONTRACT FOR MOVING BED BIOREACTOR (MBBR) SITE.

Staff reviewed the need to begin preloading work for the MBBR in advance of bidding out the North Plant Upgrade project to avoid holding up construction of plant upgrades since settlement is expected to take seven months. Bids were reviewed along with a recommendation from Aqua Engineering to award the work to the low bidder, Skyview Excavation & Grading. Just days before the bid opening, the District became aware that fill material was available at the Bountiful Landfill. As a result, the District intends to pursue doing at least some portion of the hauling with its own forces to keep costs down.

Motion was made by Kendalyn Harris seconded by Gina Hirst to award the bid to Skyview Excavation & Grading subject to review of references and negotiation of contract terms utilizing District staff to haul soil as discussed. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

B. NOTICE OF VIOLATION (NOV) SETTLEMENT - REPORT.

The District has settled its NOV with the Utah Division of Water Quality (UDWQ) and the settlement has been public noticed. In addition to negotiating the total amount down by 20 percent, UDWQ agreed not to issue any penalties or violations for ammonia exceedances that took place while the District was replacing a trickling filter mechanism this fall.

C. PROJECT FINANCING - REPORT.

In 2017, the District was awarded a State Revolving Fund (SRF) loan for South Plant upgrades. When the District shifted the Advanced Biological Nutrient Removal project (ABNR) to the North Plant, the original loan amount was reduced to \$14 Million. In the intervening period, SRF loan funds have been further expended by the State and the District is now approved for just \$4 Million for its North Plant upgrades. This funding source comes with the same additional baggage as the Water Infrastructure Finance and Innovation Act (WIFIA) (i.e., American Iron and Steel, interagency and National Environmental Policy Act (NEPA) reviews, etc.). If the District goes with market bonding, none of this is required.

The District, through Aqua Engineering, has hired two contractors to prepare a "mock bid" that can be used to see where the project risks are and how to make things more economical. Going through that effort, staff is hoping to tease out how much the extra federal baggage would cost. Matt Myers reported that we've stalled out on making application to WIFIA with its \$100,000 application fee because we aren't confident that we'll get significantly better rates using WIFIA and SRF funding and that the District may be better served by avoiding the federal baggage and working on putting the District in the best bond rating position possible.

The Board was advised that, based on a verbal report back from one of the contractors working on the "mock bid", the total project cost may exceed \$60 Million. We will have to wait and see where they feel like there's a lot of risk.

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

The gas upgrading skid has been undergoing work over the last couple of weeks, including cleaning and swapping membranes and rebuilding the sales gas compressor. Gas to grid has been down during this servicing, but we expect that the system will be back online and sending gas to grid by next week.

The FOG receiving pit and storage tank have been cleaned and are back in service. WRR operations staff did an excellent job getting the system back online. This was a new undertaking for them.

12. GENERAL MANAGER'S REPORT:

A. TAX INCREASE HOUSEKEEPING - DISCUSSION.

The District will hold a Truth In Taxation Public Hearing next month. The Board was reminded that each city is required to report back to its Council on the District's proposed tax increase. Matt Myers indicated that staff would be happy to make a presentation if Board Members would like. District staff is working on a presentation for the Truth In Taxation Public Hearing.

The District is constantly striving to save money where possible. As an example of its cost-saving efforts, staff shared a presentation on installation of an RIO panel at the South Plant. The panel does not include the equipment that the integrator typically uses or recommends, but was deemed worth pursuing from a cost-savings standpoint.

B. SOUTH DAVIS WATER REUSE GROUP.

The cities served by the District (Bountiful, Centerville, North Salt Lake, West Bountiful, Woods Cross) are pursuing a Reuse Study Planning Grant. The District is supporting these efforts by providing time and data where appropriate and will report back to the Board as things progress.

C. DISTRICT PROPERTY LOCATED INSIDE THE CURRENT DIKE AREA.

Staff is working with West Bountiful on a conditional use permit for the proposed administration building. Davis County has suggested the District work with West Bountiful to annex the unincorporated county area into West Bountiful to avoid future conflicts with the property.

13. 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, Harris and Westergard voting "aye".

The Chair declared the meeting closed at 6:36 p.m.

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

The Chair declared the meeting opened at 7:15 p.m.

14. NEXT MEETING SCHEDULED:

The next regular meeting has been scheduled for Thursday, 7 December 2023, 5:00 p.m.

15. DISMISSAL:

The Chair declared the meeting adjourned at 7:16 p.m.



Clerk



Chair, Board of Trustees