

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
17 January 2019

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:

Dee Hansen	Chairman
Howard Burningham	Vice-Chairman
John Davies	Trustee (via Teleconference)
Randy Lewis	Trustee
Mark Preece	Trustee
Len Arave	Trustee
Ryan Westergard	Trustee

Others meeting with the Board:

Dal Wayment	General Manager/Treasurer
Mark Katter	Accounting Manager/Clerk
Susanne Monsen	Administrative Asst/Asst Clerk
Matt Myers	Engineer
Jacob Scott	WRR Lead Operator/E-I-T
Ron Mortensen	Resident, Bountiful

1. MINUTES:

The meeting was called to order at 5:02 p.m. at which time the Chairman asked for comments of the regular Board Meeting held 6 December 2018. After consideration motion was made by Mr. Ryan Westergard seconded by Mr. Randy Lewis to accept the Minutes as presented. Motion carried unanimously with Trustees Hansen, Burningham, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye",

2. BUDGET REPORT:

The unaudited final Budget Report dated 12/31/18 was presented for review. The combined Revenue Budget has received 94% in revenues; the Collection System is 99% expended; Treatment Plants are 97% expended; Industrial Pretreatment is 107% expended; Capital Expansion is 98% expended; Water Quality Group (JR/FB) is 80% expended; OU2 Remediation is 64% expended; Water Quality Group (Utah Lake) is 70% expended; and General & Admin is 111% expended. The budget ratio to calendar months is 100%.

3. INVESTMENT REPORT:

Current investments are maintained by Zions Bank, Public Treasurer's Investment Fund (PTIF) and Moreton Asset Management. Moreton currently holds \$4 million at approximate interest rate of 2.4277%.

4. APPROVAL OF DISBURSEMENTS:

Trustees requested review on Zions Bank check number 27836. After consideration and some review motion was made by Mr. Howard Burningham seconded by Mr. Mark Preece to accept the Disbursements as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

5. APPROVAL OF SEWER LINE CONSTRUCTION AGREEMENTS:

A. THE WINNIE-PHASE 1 - PROJECT NO. 19-18.

Mr. Wayment recommended the Agreement for The Winnie-Phase 1, located at approximately 3371 South Orchard Drive in North Salt Lake, known as Project No. 19-18, be accepted.

B. ATWATER ESTATES SUBDIVISION - PROJECT NO. 1-19.

Mr. Wayment recommended the Agreement for Atwater Estates Subdivision, located at approximately 1800 North 800 West in West Bountiful, known as Project No. 1-19, be accepted.

Motion was made by Mr. Len Arave seconded by Mr. Randy Lewis to authorize the Chairman to sign the Agreements for The Winnie-Phase 1 and Atwater Estates Subdivision. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

6. APPROVAL OF SEWER LINE DEEDS:

A. CARRINGTON PLACE PHASE II (APTS) - PROJECT NO. 2-17.

The Deed for Carrington Place Phase II (Apts) located in Bountiful, has been received. The total sewer costs for this development are \$73,106.00.

B. ENCLAVE PUD - PROJECT NO. 9-17.

The Deed for Enclave PUD located in Bountiful, has been received. The total sewer costs for this development are 20,000.00.

C. RIGBY COURT SUBDIVISION - PROJECT NO. 4-18.

The deed for Rigby Court Subdivision located in Centerville, has been received. The total sewer costs for this development are \$40,949.00.

Motion was made by Mr. John Davies seconded by Mr. Howard Burningham to accept the Deeds for Carrington Place Phase II (Apts), Enclave PUD and Rigby Court Subdivision. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

7. CONSIDER IMPACT FEE FOR PROPERTY AT 531 WEST 3300 SOUTH, BOUNTIFUL:

Two lots were developed at 531 West 3300 South in Bountiful in 1972. To sewer this property the owner had to install 560 feet of 8-inch sewer and two manholes. The property owner now wishes to build a home on the second lot and contacted the District regarding the impact fee. It is the homeowner's recollection that because of the extraordinarily long service lateral the impact fee for the original home was waived and they were told that the impact fee for the second property would also be waived. District records show that a \$300 "connection fee" was paid for the first lot in 1972. Whether the fee was waived or not cannot be ascertained from District records. In the District's early years often times entire subdivisions would have their impact fee waived because of extraordinary costs to sewer the property. The line installed by the property owner was subsequently used to sewer both the old and the new Winegar's grocery store on Orchard Drive. This would represent a significant use of this asset by the District. The property taxes and impact fees paid by the grocery store far out weigh the value of the current impact fee for a single family residence. The Board discussed various options for an equitable adjustment for this property.

Motion was made by Mr. Len Arave seconded by Mr. Randy Lewis to split the impact fee between the District and the property owner equally. Motion carried with Trustees Hansen, Davies, Lewis, Preece, Arave and Westergard voting "aye", Trustee Burningham voted "nay".

8. WASATCH RESOURCE RECOVERY (WRR) PROJECT - PROGRESS REPORT:

A. VERDE PILOT PLANT/D-3 RENEWABLE NATURAL GAS (RNG) PROJECT.

Aqua Engineering, Jacobs Engineering and District staff are continuing to work on plans and cost estimates for the Verde Pilot Plant. Jacobs Engineering is proposing the rental of an existing trailer-mounted pilot plant from the Denver Metropolitan Water District. This would allow a pilot plant to be set up more quickly and with less expense than starting from scratch. We are working on details of a rental agreement with Denver Metro.

B. RENEWAL IDENTIFICATION NUMBERS (RINs) & LOW CARBON FUEL STANDARD (LCFS) MARKET AGREEMENT.

Aqua, Alder and District staff are working on an agreement with Blue Source, LLC, a firm that specializes in planning and documenting programs using RNG to produce RINs and quality for the LCFS market. This will allow the District to market natural gas from its existing digesters.

C. WASATCH RESOURCE RECOVERY OPEN HOUSE.

We are having an open house at the WRR facility on Thursday, February 7th from 10:00 a.m. to 2:00 p.m. Friends, family and anyone interested are invited to attend.

9. ADVANCED BIOLOGICAL NUTRIEN REMOVAL (ABNR) PROJECT - PROGRESS REPORT:

A. ALGAE TOXICITY STUDIES.

Algae toxicity studies with the TRE lab in Fort Collins are continuing, but so far inconclusive. We are pursuing these studies as quickly as possible. Dr. Jeremy Guest at the University of Illinois is preparing a proposal to investigate toxicity from a different direction.

In the recently passed Farm Bill, algae is defined as an agricultural crop qualifying for research and for financial assistance programs through the U.S. Department of Agriculture.

The District has taken steps to better secure the storage site for the glass pipe. We have added an automatic gate closer for the gate at the Frontage Road. This will be kept closed at night and on weekends. We are also adding an intrusion alarm around the glass. Travelers Insurance provided us with access to alarm equipment through a discount program through the insurance company.

10. GENERAL MANAGER'S REPORT:

A. LEGISLATIVE UPDATE.

Going into the 2019 legislative session there are again a number of issues that will concern the District. The Wasatch Front Publicly Owned Treatment Works (POTWs) have worked to prepare and have legislation sponsored requiring more legislative oversight over water quality issues that have very high dollar impacts. There is some proposed legislation concerning the Blue Stakes program. There will likely be a number of issues arise during the session.

B. ENVIRONMENTAL PROTECTION AGENCY (EPA) / LAND-APPLIED BIOSOLIDS.

The EPA Inspector General's Office recently released a review of EPA's biosolids program. The report was highly critical of the lack of EPA activity over the last 20 years in the biosolids area. It specifically criticized EPA's lack of research into emerging contaminants of concern. This will likely trigger a new round of activities.

C. 2019 INSURANCE COVERAGE.

Subsequent to the December Board Meeting District staff met with Mark Anderson, the District's legal Counsel; Jim Burr, Bond Counsel; representatives from ALPRO; and, Darrell Child from Olympus Insurance. The group discussed liability and casualty insurance for WRR. They reviewed the various agreements, documents and bond requirements. The meeting concluded that the insurance coverage approved by the Board meets all of our statutory and bond requirements for insurance. The total amount of insurance, \$26 million, is a value judgement to be made by the Board. This group, however, felt that this amount was reasonable and adequate.

D. NORTH SALT LAKE CITY - RECYCLING MARKET ZONE.

North Salt Lake City approved the creation of a recycling market zone that includes the WRR site. This zone will provide certain tax advantages to the project.

11. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 21 February 2019, 5:00 p.m.

12. DISMISSAL:

The meeting ended at 7:10 p.m.


Chairman, Board of Trustees


Clerk