

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
22 June 2017

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 - Arrived 6:20 pm
John Davies	Trustee
Randy Lewis	Trustee
Mark Preece	Trustee
Len Arave	Trustee

Excused:

Ryan Westergard	Trustee
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Others meeting with the Board:

Dal Wayment	General Manager/Treasurer
Mark Katter	Accounting Manager/Clerk
Susanne Monsen	Administrative Asst/Asst Clerk
Matt Myers	Engineer
Stephen Capson	Karren, Hendrix Stagg, Allen and Company

1. MINUTES:

The meeting was called to order at 5:08 p.m. at which time the Chairman asked for comments of the regular Board Meeting held 18 May 2017. After consideration motion was made by Mr. Randy Lewis seconded by Mr. Len Arave to accept the Minutes as presented. Motion carried with Trustees Hansen, Davies, Lewis, Preece and Arave voting "aye".

2. BUDGET REPORT:

The Budget Report dated 6/15/17 was presented for review. The Collection System has received 61% in revenues and is 41% expended; Treatment Plants have received 36% in revenues and are 39% expended; Industrial Pretreatment has received 8% in revenues and is 32% expended; Capital Expansion has received 1% in revenues and is 7% expended; Water Quality Group (JR/FB) has received 72% in revenues and is 23% expended; OU2 Remediation has received 18% in revenues and is 23% expended; Water Quality Group (Utah Lake) has received 89% in revenues and is 68% expended; and General & Admin has received 0% in revenues and is 74% expended. The budget ratio to calendar months is 45%.

3. INVESTMENT REPORT:

The District has updated its capital plan to account for cash and reserves committed to the Resource Recovery and Nutrient Removal facilities. This allowed us to identify reserves that could be committed for management by Moreton for \$4 million. A report from Moreton showing the disposition of these funds was reviewed.

4. APPROVAL OF DISBURSEMENTS:

Trustees requested review on Zions Bank check numbers 25488, 25489 and 25540. After consideration and some review motion was made by Mr. John Davies seconded by Mr. Randy Lewis to accept the Disbursements as presented. Motion carried with Trustees Hansen, Davies, Lewis, Preece and Arave voting "aye".

A. ARTICULATING BOOM LIFT.

For some time we have been watching the Ritchie Bros. auction site, government surplus sites and other used equipment sources for a boom lift. We found a 10-year old boom lift at the Denver International Airport which we have purchased. The cost was \$10,029.66 and the machine has 1,049 hours. It was built into the terminal building and they had to remove part of the wall to remove it from its location. The machine has never been outside. This piece of equipment will allow us to do that we currently have to rent equipment for and/or use forklifts with the man basket.

5. APPROVAL OF SEWER LINE CONSTRUCTION AGREEMENTS:

A. CHESHAM VILLAGE PHASE 2 PUD - PROJECT NO. 8-17.

Mr. Wayment recommended the Agreement for Chesham Village Phase 2 PUD, located at approximately 900 West 3800 South in North Salt Lake, known as Project No. 8-17, be accepted.

Motion was made by Mr. Len Arave seconded by Mr. Mark Preece to authorize the Chairman to sign the Agreement for Chesham Village Phase 2 PUD. Motion carried with Trustees Hansen, Davies, Lewis, Preece and Arave voting "aye".

6. APPROVAL OF SEWER LINE DEEDS:

A. ALICE ACRES SUBDIVISION - PROJECT NO. 16-13.

The Deed for Alice Acres Subdivision, located in West Bountiful, has been received. The total sewer costs for this development are \$19,133.00.

B. PARKVIEW TOWNHOMES (APTS) - PROJECT NO. 2-16.

The Deed for Parkview Townhomes, located in North Salt Lake, has been received. The total sewer costs for this development are \$50,705.00.

C. CHESHAM VILLAGE PHASE 1 PUD - PROJECT NO. 1-17.

The Deed for Chesham Village Phase 1 PUD, located in North Salt Lake, has been received. The total sewer costs for this development are \$107,745.00.

Motion was made by Mr. John Davies seconded by Mr. Len Arave to accept the Deeds for Alice Acres Subdivision, Parkview Townhomes and Chesham Village Phase 1 PUD. Motion carried with Trustees Hansen, Davies, Lewis, Preece and Arave voting "aye".

7. CONSIDER RESOLUTION NO. 113-17 / ADOPTING THE CERTIFIED TAX RATE:

The County Assessor's office has calculated and forwarded the documentation for the District's certified tax rate for this budget year. Based on their assessed valuation the certified tax rate for 2017 will be .000264 and generate revenues in the amount of \$2,005,584.00. After further discussion motion was made by Mr. Randy Lewis seconded by Mr. John Davies to adopt the Certified Tax Rate of .000264 through Resolution No. 113-17. Motion carried with Trustees Hansen, Davies, Lewis, Preece and Arave voting "aye".

8. 2016 AUDIT/CAFR - REVIEW AND APPROVE:

Mr. Steve Capson of Karren, Hendrix, Stagg, Allen & Company, outlined the results of the 2016 audit. The District was given an unqualified Audit opinion.

After review and some discussion motion was made by Mr. Randy Lewis seconded by Mr. Mark Preece to accept the 2016 Audit as presented by Karren, Hendrix, Stagg, Allen & Company. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece and Arave voting "aye".

Again this year, the District will issue a Comprehensive Annual Financial Report (CAFR) as part of the annual audit. The CAFR provides extensive discussion and statistics regarding the District's financial activities.

After review and some discussion motion was made by Mr. Len Arave seconded by Mr. Howard Burningham to accept the Comprehensive Annual Financial Report for the year ending 2016. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece and Arave voting "aye".

9. CONSIDER UTAH ASSOCIATION OF SPECIAL DISTRICTS (UASD) FUNDING FOR LEGISLATIVE ACTIVITIES:

Several major issues at the 2017 legislative session posed significant impacts on local districts including board makeup and taxation. These issues will also impact the study sessions during the summer. The UASD had to exceed their budget for this work and has requested additional funding to cover these activities.

Motion was made by Mr. Randy Lewis seconded by Mr. John Davies to contribute \$1,500.00 to the Utah Association of Special Districts Legislative Activities Fund for 2017. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece and Arave voting "aye".

10. PROGRESS REPORT - RESOURCE RECOVERY PROJECT:

The ground breaking was a great success and the project received some excellent press coverage. Mr. Arave commented he has received a lot of questions arising out of the news coverage. He requested a one-page write-up of significant project details. Construction is under way. A lot of major long lead items have been ordered. There has been a lot of activity in source and feed waste due to the fact that we are now under construction.

11. PROGRESS REPORT - NUTRIENT REMOVAL PROJECT:

Work is proceeding on the design and cost estimate for Nutrient Removal. Work has begun on preparing the site for the stock culture fence. Gas, electricity and water have been stubbed to the stock culture fence location.

12. REPORT ON NORTH PLANT AMMONIA EXCEEDANCES:

The North Plant exceeded its 30-day average for ammonia in the months of December, January, February and March. Four monthly exceedances in a six month period are considered non-compliance by EPA. This triggers a requirement for the State to pursue an enforcement action. We have met with the Division of Water Quality (DWQ) to discuss the matter. Fortunately, the plant has returned to compliance. The District's plants were not designed to remove ammonia, but the amount of ammonia removed has generally been very consistent and reliable. We know that ammonia removal occurs in the trickling filters, but we have little or no control over the process. Because of the suddenness and extent of ammonia removal we feel that there may have been toxicity of some kind which destroyed or has inhibited the bacteria that convert the ammonia to nitrates. These bacteria are slow to recover. When they did recover it was literally from one day to the next.

13. GENERAL MANAGER'S REPORT:

A. PUBLIC EMPLOYEES HEALTH PLAN - EXPERIENCE REFUND.

The annual actuarial review of the Local Government Risk Pool (LGRP) determined the pool had excess reserves. As a result, the District received a check for \$3,865.00. This determination is based on 60% experience, 30% longevity in the pool and 10% employee management.

B. WORKERS COMPENSATION FUND (WCF) - DIVIDEND.

A dividend check in the amount of \$2,282.14 was received from WCF representing 7.5% of the 2016 premiums paid to them.

C. WATER COALITION UPDATE.

The Wasatch Front Water Quality Council has retained the firm of Holland & Hart to work with the Wasatch Front POTW's and the Division of Water Quality to improve communication. A review of their activities prepared by Amanda Smith was reviewed.

D. DIVISION OF WATER QUALITY - DIRECTOR APPOINTMENT.

Dr. Erica Gaddis has been appointed Director of the Division of Water Quality to replace Walter Baker who retired mid-May.

E. 2017 ELECTION.

The District will be holding an election in November as three individuals have filed a Declaration of Candidacy; Howard Burningham, John Davies, Kent Perry.

14. NEXT MEETING SCHEDULED:

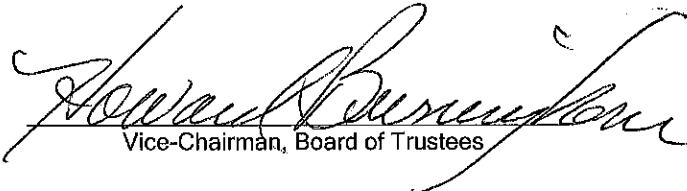
The next meeting has been scheduled for Thursday, 20 July 2017, 4:00 p.m. This meeting will be held one hour earlier to accommodate a schedule conflict.

15. DISMISSAL:

The meeting ended at 7:40 p.m.



Assistant Clerk



Vice-Chairman, Board of Trustees