

SOUTH DAVIS SEWER DISTRICT  
BOARD OF TRUSTEES  
REGULAR MEETING  
24 August 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
Mark Preece	Trustee
Len Arave	Trustee
Ryan Westergard	Trustee

Excused:

John Davies	Trustee
Randy Lewis	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
Ryan Bjerke	Chapman and Cutler
Preston Kirk	George K. Baum & Company
Nathan Rich	Wasatch Integrated Waste
Tyson Grover	Davis School District

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 28 July 2017. After consideration motion was made by Mr. Mark Preece seconded by Mr. Len Arave to accept the Minutes as presented. Motion carried with Trustees Hansen, Burningham, Preece, Arave and Westergard voting "aye".

2. BUDGET REPORT:

The Budget Report dated 8/18/17 was presented for review. The Collection System has received 135% in revenues and is 55% expended; Treatment Plants have received 42% in revenues and are 52% expended; Industrial Pretreatment has received 12% in revenues and is 45% expended; Capital Expansion has received 1% in revenues and is 7% expended; Water Quality Group (JR/FB) has received 79% in revenues and is 44% expended; OU2 Remediation has received 18% in revenues and is 39% expended; Water Quality Group (Utah Lake) has received 114% in revenues and is 77% expended; and General & Admin has received 13% in revenues and is 103% expended. The budget ratio to calendar months is 63%.

3. APPROVAL OF DISBURSEMENTS:

Trustees requested review on Zions Bank check number 25783. After consideration and some review motion was made by Mr. Howard Burningham seconded by Mr. Len Arave to accept the Disbursements as presented. Motion carried with Trustees Hansen, Burningham, Preece, Arave and Westergard voting "aye".

4. APPROVAL OF SEWER LINE AGREEMENTS:

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

Mr. Wayment recommended the Agreement for Enclave PUD, located at approximately 958 North 200 West in Bountiful, known as Project No. 9-17, be accepted.

B. SCOTT GARNER PROJECT - PROJECT NO. 10-17.

Mr. Wayment recommended the Agreement for the Scott Garner Project, located at approximately 750 West 500 South in West Bountiful, known as Project No. 10-17, be accepted.

Motion was made by Mr. Mark Preece seconded by Mr. Ryan Westergard to authorize the Chairman to sign the Agreements for Enclave PUD and the Scott Garner Project. Motion carried with Trustees Hansen, Burningham, Preece, Arave and Westergard voting "aye".

5. CONSIDER RESOLUTION NO. 169 - SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF TAXABLE COMBINED UTILITY SYSTEM REVENUE BONDS:

This supplemental resolution authorizes the issuance and sale of \$28,851,000 in taxable combined utility system revenue bonds. The purpose of these bonds is to pay for the construction of a nutrient removal system for the District's South Plant and to pay for the rehabilitation of existing South Plant facilities. The work is intended to prepare the South Plant to meet permit limits and operational demands for the next 20 years. All of the necessary public notices and public hearings have been performed.

Motion was made by Mr. Howard Burningham seconded by Mr. Len Arave to adopt Resolution No. 169 as presented. Motion carried with Trustees Hansen, Burningham, Preece, Arave and Westergard voting "aye".

6. CONSIDER PARTICIPATION IN THE DAVIS COUNTY SCHOOL FOUNDATION, "DAVIS GOES GREEN PROJECT":

Mr. Nathan Rich, Executive Director of Wasatch Integrated Waste Management District and Mr. Tyson Grover, Science Supervisor and STEM Expo Coordinator for the Davis School District made a presentation to the Board regarding the Davis County School Foundation's public education project, "Davis Goes Green". This program will extend the opportunity to Davis County School District students to become familiar with the infrastructure needed in the County to provide safe drinking water, solid waste disposal and wastewater treatment. This program provides funds and other necessary resources for tours of these facilities, classroom projects to better understand these vital community resources and to develop classroom study materials. Weber Basin and Wasatch Integrated have been supporting this project for a number of years. The program has served as many as 4,000 students each year. The program pays for site visit transportation. In addition, the hosting entities provide tour guides and make their facilities accessible for these visits.

The logistical problems and other items were discussed. The benefits of the program to the District and public were reviewed. Potential toxicity and other process problems could be avoided by a better informed public. The public would be better informed about the complexity and cost of these vital utilities. The District only serves a portion of the county, the remainder being served by Central and North Davis. The possibility of having them participate was discussed.

Motion was made by Mr. Ryan Westergard seconded by Mr. Mark Preece to authorize participation in this program and contribute an annual amount of \$15,000.00. Motion carried with Trustees Hansen, Burningham, Preece, Arave and Westergard voting "aye".

7. PROGRESS REPORT - NUTRIENT REMOVAL PROJECT:

Work is well under way on the stock culture fence. The footings and foundation for the control building have been excavated and poured and the glass pipe is on site. The project team is working to get design and cost estimates completed. Schott will be shipping a full container of the 4-inch glass pipe to test the logistics of getting the pipe here. The first third of the pipe has been produced. Schott has agreed to store the glass pipe at their facility in Germany until we are ready to receive. We are working with Clearas on production schedules, engineering submittals and other issues to keep the project moving forward. We are currently about \$700,000 ahead of budget.

A. CONSIDER PROGRESS PAYMENT FOR NUTRIENT REMOVAL PROJECT.

Because of scheduling issues we may need to pay some vendors out of the District's funds allocated to the project to keep work on long lead time items moving forward. Staff requested that the additional cash funds allocated to the project in the amount of \$680,000 be authorized to cover such items.

Motion was made by Mr. Len Arave seconded by Mr. Ryan Westergard to authorize a progress payment in the amount of \$680,000.00 to cover the items as presented. Motion carried with Trustees Hansen, Burningham, Preece, Arave and Westergard voting "aye".

8. PROGRESS REPORT - RESOURCE RECOVERY PROJECT:

We are now two months into the Resource Recovery Project. All major structures have been started and major equipment has been ordered. The contractor continues to increase the work force on the project. Volume and quality of work are excellent.

We continue to have a high level of interest from high organic waste sources. Morgan Bowerman and Isaac Hinckley are working diligently to ensure to availability of sufficient source of feed stock for the project. Progress payments to-date were reviewed.

9. REPORT ON NORTH PLANT AMMONIA EXCEEDANCES:

The North Plant exceeded its permit limit for ammonia in July at 11.2 mg/l versus the permit limit of 8 mg/l. We have been pursuing several strategies to deal with the issue. We have increased the dose rate for ferric chloride which appears to have been successful. The average effluent ammonia for August is 5.56 mg/l. At the same time BOD's were very low, often less than 5 mg/l. This is the desired result of the ferric chloride. We are working with a vendor out of Canada and a second vendor out of California looking at using microorganisms that have been specially cultured for ammonia removal. We will continue to explore various alternatives and will continue to work with the Division of Water Quality in resolving the enforcement aspect of these permit violations.

10. REVIEW LETTER FROM UTAH STATE LEGISLATURE REGARDING BOARD GOVERNANCE BEST PRACTICES:

The letter from the Utah State Legislature recommending Governance Best Practices was reviewed in detail item by item. There were 27 items on the checklist. Of those items the District has good policies and procedures for 22 items. The remaining five items were selected for further review and implementation of new or improved District PP&P. Those items are:

- Item 3. A copy of the proposed Board Meeting Agenda will be sent to the Chairman prior to posting.
- Item 4. Internal policies are in place, but will be refined and presented to the Board for review.
- Item 8. Staffing policy defining the responsibilities of those who handle the District's finances will be reviewed and presented to the Board.
- Item 16. This item provides that the Board verify these four items (certification and filing of annual budget; notice of public meeting; notice of board member contact information; and, participation in Utah public finance website and financial statement reporting requirements) have been completed. Staff will provide the Board with certification of applicable filings on an annual basis.
- Item 27. The Board shall develop and adopt a conflict of interest policy.

11. GENERAL MANAGER'S REPORT:

A. ARTICLE "FOOD WASTE TO RENEWABLE NATURAL GAS"

*BioCycle Energy* is a national trade publication for the organic waste industry. The August issue included a very nice article about the District Resource Recovery Project. The Board was given a copy of the article.

B. AUDITOR ALERT 2016-07 & 2017-02.

Auditor Alert 2016-07/Public funds should not be used for personal purchases and Auditor Alert 2017-02/Gift card reporting and taxing. The State Auditor's office routinely sends out alerts detailing proposed guidance for various topics. These two items were discussed. The Board directed that staff work with the District's legal counsel and Auditor to generate draft personnel policies and procedures for these items.

12. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 21 September 2017, 5:00 p.m.

13. DISMISSAL:

The meeting ended at 8:15 p.m.

  
Chairman, Board of Trustees

  
Assistant Clerk