

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING & BUDGET HEARING
7 December 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
John Davies	Trustee
Randy Lewis	Trustee
Mark Preece	Trustee
Len Arave	Trustee
Ryan Westergard	Trustee (excused 6:35 p.m.)

Others meeting with the Board:

Dal Wayment	General Manager/Treasurer
Mark Katter	Accounting Manager/Clerk
Susanne Monsen	Administrative Asst/Asst Clerk
Matt Myers	District Engineer
David Wilding	Wilding Engineering
Jay Gough	OPS/Onion Patch Securities
Todd Willey	OPS/Onion Patch Securities

1. MINUTES:

The regular meeting was called to order at 5:00 p.m. at which time the Chairman asked for comments of the regular Board Meeting held 16 November 2017. After consideration motion was made by Mr. Randy Lewis seconded by Mr. Mark Preece to accept the Minutes as presented. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

2. BUDGET REPORT:

The Budget Report dated 11/30/17 was presented for review. The Collection System has received 89% in revenues and is 79% expended; Treatment Plants have received 46% in revenues and are 74% expended; Industrial Pretreatment has received 88% in revenues and is 81% expended; Capital Expansion has received 31% in revenues and is 58% expended; Water Quality Group (JR/FB) has received 100% in revenues and is 77% expended; OU2 Remediation has received 18% in revenues and is 49% expended; Water Quality Group (Utah Lake) has received 95% in revenues and is 80% expended; and, General & Admin has received 95% in revenues and is 73% expended. The budget ratio to calendar months is 92%.

3. INVESTMENT REPORT:

District staff met with Moreton & Company for a quarterly review of the District's investments which are performing slightly higher than the Public Treasurers Investment Fund (PTIF).

4. APPROVAL OF DISBURSEMENTS:

Trustees requested review on Zions Bank check number 26241. After consideration and some review motion was made by Mr. Howard Burningham seconded by Mr. John Davies to accept the Disbursements as presented. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

5. CONSIDER PROPOSAL TO CONSTRUCT A SEWER TRUNKLINE FROM 1450 WEST TO 1800 WEST AT APPROXIMATELY 300 NORTH IN WEST BOUNTIFUL:

Development is being proposed for property between 1100 West and 1800 West at approximately 300 North in West Bountiful. This area includes several property owners. Some are prepared to develop in the near-term and others have no immediate plans. The property is landlocked. In the past the District has installed sewer mains in anticipation of the current and future demands. The District has then collected a prorata share of the cost of installing this main from properties that connect to this main. The properties to be served, the location of the proposed sewer main, the need for easements and other issues were reviewed and discussed.

Motion was made by Mr. Howard Burningham seconded by Mr. John Davies to proceed with the installation of a sewer main from 1800 West to 1450 West and south along 1450 West as discussed. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

6. CONSIDER DIVERTING HOLLY FRONTIER WOODS CROSS REFINING LLC DISCHARGE LINE INTO 1100 WEST:

The Holly Refinery wastewater outfall line runs from the refinery west across 1100 West and then west to 1800 West crossing the properties to be served by the proposed sewer main discussed above. This is a very old line of welded steel pipe. The condition of the line is very poor. The District has approached the refinery a number of times over the years to work out an arrangement to divert their discharge into the District's 1100 West line eliminating the old steel pipe line. The refinery has not been willing to do so because of cost. The District feels that from a public safety point of view it is highly desirable to make this change. The capacity of the District's 1100 West trunkline was discussed. The benefit to the overall community was discussed. The benefit to Holly and the property owners was discussed. The Board suggested that Holly be approached to cover the cost of making the connection.

Motion was made by Mr. John Davies seconded by Mr. Ryan Westergard to allow the Holly wastewater discharge to be diverted into 1100 West, provided Holly and/or the affected property owners pay for the physical connection to the District's main line. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

7. OPEN BUDGET HEARING:

Motion was made by Mr. Ryan Westergard seconded by Mr. Randy Lewis to open the Budget Hearing. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

8. REVIEW PROPOSED 2018 BUDGET:

The final draft for the 2018 Budget was presented. One Operations and Maintenance line item was moved from the 2017 to the 2018 budget.

9. CLOSE BUDGET HEARING:

Motion was made by Mr. John Davies seconded by Mr. Howard Burningham to close the Budget Hearing. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

10. CONSIDER RESOLUTION NO. 107-18 (2018 BUDGET):

Motion was made by Mr. Randy Lewis seconded by Mr. Ryan Westergard to adopt the 2018 Budget as amended through Resolution No. 107-18. Motion carried with Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

11. CONSIDER/RATIFY RESOLUTION NO. 115-05 (FEDERAL SURPLUS PROPERTY):

As a local government entity, the District is eligible to purchase federal surplus property through the State of Utah surplus property agency. The District has to periodically renew Board authorization to purchase through State Surplus. This item was not included in last months' agenda, but was time sensitive. It has been sent to State Surplus to meet their requirements.

Motion was made by Mr. Howard Burningham seconded by Mr. Mark Preece to ratify the adoption of the Federal Surplus Property program through Resolution No. 115-05. Motion carried with Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

12. CONSIDER LEASE FOR CELL TOWER:

The District has been approached by a mobile phone provider to erect a cell tower at the District's South Plant. They propose leasing a 50'x50' parcel. The lease payment would be \$1,000/mo. increasing by 2% per year. In addition to the lease they would require access to the site. The 20-year present worth of the lease would be approximately \$250,000. The fire department has had a radio antenna at this site for many years and it has not been a problem or inconvenience for the District.

Motion was made by Mr. Howard Burningham seconded by Mr. Randy Lewis to approve installation of a cell tower and the lease under the terms discussed. Motion carried with Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

13. COMPUTER VIRUS ATTACK - REPORT:

The District experienced a severe malware in it's computer network. Clearlink, our IT service provider did an outstanding job of responding to this attack. It took them three days to find and remove all of the elements of the malware. We did not suffer any losses or problems because of early detection. Because of the increasing frequency and severity of computer viruses, malware and other issues we have reviewed our computer security measures with Clearlink. We have contracted with them for a higher level of direct supervision and service as well as implementing additional anti-malware software and internal housekeeping measures.

14. RESOURCE RECOVERY PROJECT - PROGRESS REPORT:

Photographs of the on-going construction were presented. Quality of construction continues to be outstanding. The project continues to be on-schedule and on-budget.

15. NUTRIENT REMOVAL PROJECT - PROGRESS REPORT:

The stock culture fence is up and running. We are producing algae and starting to ship samples to labs and potential buyers for evaluation. The excavation for the mix tank is complete and the footings have been poured. We are making slower progress than desired, but progress on the final design and the contractors guaranteed maximum price is nearing completion.

16. ADOPT 2018 MEETING SCHEDULE:

The Meeting Schedule for 2018 was presented for acceptance. Motion was made by Mr. John Davies seconded by Mr. Len Arave to adopt the Annual Meeting Schedule for 2018 as presented. Motion carried with Hansen, Burningham, Davies, Lewis, Preece and Arave voting "aye".

17. GENERAL MANAGER'S REPORT:

A. WEST BOUNTIFUL PROPERTY TRANSFER.

The District's legal counsel has identified a potential problem with the transfer relating to the condemnation of the property. He is researching the matter and will provide a written opinion.

B. ANNEXATION - NORTH SALT LAKE.

We continue to receive inquiries from developers concerning sewer service to properties west of the Jordan River adjacent to the South Plant. The extent of such an expansion is not yet clear, but is likely to be at least 150-200 acres. Mr. Arave indicated that North Salt Lake City was likely to be willing to annex the property subject to positions taken by Salt Lake County and Salt Lake City. There are no concrete actions being taken as yet for an annexation. Providing sewer service to this additional area is possible, but provides some engineering challenges for the District as well as economic challenges for developers.

18. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 18 January 2018, 5:00 p.m.

19. DISMISSAL:

The meeting ended at 7:15 p.m.



Clerk


Chairman, Board of Trustees