

SOUTH DAVIS SEWER DISTRICT  
BOARD OF TRUSTEES  
REGULAR MEETING  
20 June 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
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
Steve Capson	Karren Hendrix Stagg Allen & Co CPAs
Scott Rogers	Aqua Engineering
Debra Marshall	Resident, West Bountiful
Ron Mortensen	Resident, Bountiful

1. MINUTES:

The meeting was called to order at 5:10 p.m. at which time the Chairman asked for comments of the regular Board Meeting held 16 May 2019. After consideration motion was made by Mr. Randy Lewis seconded by Mr. Len Arave to accept the Minutes as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, and Arave voting "aye".

2. BUDGET REPORT:

The Budget Report dated 6/18/19 was presented for review. The combined Revenue Budget has received 45% in revenues; The Collection System is 37% expended; Treatment Plants are 50% expended; Industrial Pretreatment is 47% expended; Capital Expansion is 51% expended; Water Quality Group (JR/FB) is 40% expended; OU2 Remediation is 22% expended; Water Quality Group (Utah Lake) is 28% expended; and General & Admin is 49% expended. The budget ratio to calendar months is 47%.

3. INVESTMENT REPORT:

No changes from the last meeting.

4. APPROVAL OF DISBURSEMENTS:

Trustees requested review on Zions Bank check numbers 28516, 28549 and 28574. After consideration and some review motion was made by Mr. Len Arave seconded by Mr. Mark Preece to accept the Disbursements as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, and Arave voting "aye".

5. APPROVAL OF SEWER LINE CONSTRUCTION AGREEMENTS:

A. SHAMROCK VILLAGE PHASE 6 SUBDIVISION - PROJECT NO. 3-19.

Mr. Wayment recommended the Agreement for Shamrock Village Phase 3 Subdivision, located at 2050 West 2075 South in Woods Cross, known as Project No. 3-19, be accepted.

B. STONE CREEK ESTATES SUBDIVISION PHASE 2 - PROJECT NO. 4-19.

Mr. Wayment recommended the Agreement for Stone Creek Estates Subdivision Phase 2, located at 1500 East (Moss Hill Dr) Bountiful Boulevard in Bountiful, known as Project No. 4-19, be accepted.

Motion was made by Mr. Mark Preece seconded by Mr. Len Arave to authorize the Chairman to sign the Agreements for Shamrock Village Phase 6 Subdivision and Stone Creek Estates Subdivision Phase 2. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece and Arave voting "aye".

6. 2018 AUDIT/CAFR - REVIEW AND APPROVE:

Mr. Steve Capson of Karren, Hendrix, Stagg, Allen & Company, outlined the results of the 2018 audit. The District was given an unqualified Audit opinion. Regarding the Statements of Net Position, Mr. Arave felt it appropriate to combine the Investments under Noncurrent Assets with the Cash and Cash Equivalents under Current Assets to better identify this item. Mr. Capson agreed and that change will be made to the audit.

After review and some discussion motion was made by Mr. Randy Lewis seconded by Mr. Howard Burningham to accept the 2018 Audit as presented by Karren, Hendrix, Stagg, Allen & Company with the recommendation made by Mr. Arave. Motion carried unanimously 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. John Davies seconded by Mr. Mark Preece to accept the Comprehensive Annual Financial Report for the year ending 2018. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece and Arave voting "aye".

7. CONSIDER RESOLUTION NO. 113-19 / 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 2019 will be .000234 and generate revenues in the amount of \$2,065,720.00. After further discussion motion was made by Mr. Howard Burningham seconded by Mr. Randy Lewis to adopt the Certified Tax Rate of .000234 through Resolution No. 113-19. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece and Arave voting "aye".

8. AWARD BID - PROCESS CHEMICALS:

Matt Myers, District Engineer, reported the results of bidding for the procurement of process chemicals. Results of the bidding were reviewed. Staff review indicates there is no problem with any of the low bidders.

Motion was made by Mr. Howard Burningham seconded by Mr. John Davies to enter into one year contracts (July 1 to June 30) for the process chemicals as follows:

<u>North Plant &amp; South Plant</u>		<u>WRR</u>	
Sodium Hypochlorite (12.5%)	Thatcher	Sulfuric Acid (93%)	Brenntag
Sodium Bisulfite (40%)	Landview	Caustic Soda (50%)	Brenntag
Ferric Chloride (38-42%)	Thatcher	Magnesium Chloride (30%)	Thatcher

Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece and Arave voting "aye".

9. CONSIDER AMENDMENT TO CELL TOWER LEASE - SOUTH PLANT:

The District has made arrangements to bring a fiber optic cable into the South Plant to support the WRR Scada system. We have used a common trench for access from the street. We want the lease agreement to reflect the presence of this cable.

Motion was made by Mr. Len Arave seconded by Mr. Randy Lewis to approve the Amendment No. 1 to the cell tower lease. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece and Arave voting "aye".

10. REVIEW COLLECTION SYSTEM ANNUAL REPORT:

The District's Collection System Asset Management Program provides detailed information on a number of collection system operation and maintenance tasks. A report summary for 2018 operations was presented to the Board.

11. ADVANCED BIOLOGICAL NUTRIENT REMOVAL (ABNR) PROJECT - PROGRESS REPORT:

On-going laboratory work by Dr. Jeremy Guest at the University of Illinois to determine algae toxicants in the South Plant wastewater has ruled out a number of potential constituents, particularly arsenic and fluoride. The most likely toxicant so far identified is zinc. Because of the use of ferric chloride as a process chemical in the plant Dr. Guest is now evaluating iron.

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

Both of the food waste digesters are full and producing gas. We are currently producing about 300 cubic feet per minute. Although the digesters are full, they are not at their operating solids concentration. We are at about one percent and need to be at five percent. The key operating parameters of volatile acids and alkalinity are at consistent desirable levels.

A major challenge has been de-packaging waste that is received in tubs and cartons in cases on pallets. This is a manual labor-intensive operation. We are evaluating ways to improve efficiencies in this operation.

Construction is essentially complete except for the gas scrubbing skid. The vendor is still struggling with UL listing requirements. It looks like commissioning of this unit will be in September. Alder Construction and Skyline Electric have taken over responsibility for getting the re-wiring completed, inspected and approved.

We currently have seven full-time employees for WRR. New employees are adapting and performing very well. Our new senior operator, Norman Robinson, is doing an outstanding job.

We have had several discussions with Dominion Energy. They are interested in partnering with the District in the WRR project. Dominion has a strong corporate interest and commitment to renewable natural gas (RNG).

13. CONSIDER CAPITAL PROJECTS PLAN AND SCHEDULE:

In light of the toxicity at the South Plant it is necessary to re-evaluate the District's plans for providing nutrient removal for both of its treatment plants. The District's two treatment plants were last rehabilitated in the early 1990's, over 25 years ago. Wastewater treatment plants are generally rehabilitated on a 20-year cycle. The District has been waiting for a resolution of the nutrient requirements before proceeding with any significant plant rehabilitation. The plants are in good condition, but rehabilitation needs to be addressed in the next several years. Because of WRR the District has the opportunity to connect its existing digesters into the gas scrubbing system and market that gas as well. Budgets for options to accomplish this work were reviewed and discussed.


Motion was made by Mr. John Davies seconded by Mr. Len Arave to further refine cost estimates, schedule and critical details of these projects. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece and Arave voting "aye".

14. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 18 July 2019, 5:00 p.m.

15. DISMISSAL:

The meeting ended at 8:45 p.m.

  
Chairman, Board of Trustees

  
Clerk