

SOUTH DAVIS SEWER DISTRICT  
BOARD OF TRUSTEES  
REGULAR MEETING  
16 April 2020

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 (via videoconference) |
| John Davies       | Trustee (via videoconference)       |
| Randy Lewis       | Trustee (via videoconference)       |
| Mark Preece       | Trustee (via videoconference)       |
| Len Arave         | Trustee (via videoconference)       |
| Ryan Westergard   | Trustee (via videoconference)       |

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 (via videoconference)     |
| Marcus Keller  | Zions Public Finance (via videoconference)   |
| Preston Kirk   | Stifel, Nicholas & Co. (via videoconference) |

1. APPROVAL OF MINUTES:

The meeting was called to order at 5:15 p.m. at which time the Chairman asked for comments of the regular Board Meeting held 19 March 2020. After consideration motion was made by Mr. Randy Lewis seconded by Mr. Howard Burningham to accept the Minutes as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye",

2. BUDGET REPORT:

A. SOUTH DAVIS SEWER DISTRICT.

The Budget Report dated 4/13/20 was presented for review. The combined Revenue Budget has received 19% in revenues; the Collection System is 29% expended; Treatment Plants are 29% expended; Industrial Pretreatment is 30% expended; Capital Expansion is 10% expended; Water Quality Group (JR/FB) is 19% expended; OU2 Remediation is 28% expended; Water Quality Group (Utah Lake) is 25% expended; and General & Admin is 38% expended. The budget ratio to calendar months is 29%.

B. WASATCH RESOURCE RECOVERY (WRR).

The Budget Report dated 4/15/20 for WRR was presented for review. The Budget has received 4% in revenues and is 22% expended. The budget ratio to calendar months is 29%.

3. INVESTMENT REPORT:

Current investments (March/2020) are maintained by Zions Trust, Public Treasurer's Investment Fund (PTIF) and Moreton Asset Management. Zions Trust held approximately \$10 million at an interest rate of 1.6627% (funds are with PTIF); PTIF held approximately \$8 million at an interest rate of 1.6627%; and, Moreton held approximately \$1.8 million at an interest rate of 1.7391%.

4. APPROVAL OF DISBURSEMENTS:

Mr. Wayment reviewed Zions Bank check numbers 29648 and 29649. After consideration motion was made by Mr. Howard Burningham seconded by Mr. John Davies 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 AGREEMENTS:

A. TLS AT WOODS CROSS SUBDIVISION - PROJECT NO. 2-20.

Mr. Wayment recommended the Agreement for TLS At Woods Cross Subdivision, located at 2450 South 1800 W in Woods Cross, known as Project No. 2-20, be accepted.

B. SHAMROCK VILLAGE PHASE 7 SUBDIVISION - PROJECT NO. 3-20.

Mr. Wayment recommended the Agreement for Shamrock Village Phase 7 Subdivision, located at 2200 West Mountain View Blvd in Woods Cross, known as Project No. 3-20, be accepted.

Motion was made by Mr. John Davies seconded by Mr. Howard Burningham to authorize the Chairman to sign the Agreements for TLS At Woods Cross Subdivision and Shamrock Village Phase 7 Subdivision. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

6. CONSIDER SUPPLEMENTAL RESOLUTION NO. 174 AUTHORIZING THE ISSUANCE AND SALE OF \$14 MILLION COMBINED UTILITY SYSTEM BONDS, SERIES 2020A:

The District is faced with the necessity of constructing \$58 million worth of improvements to maintain its treatment plants and particularly meet stringent new discharge permit limits. The proposed bond will provide partial funding for these projects.

Motion was made by Mr. Howard Burningham seconded by Mr. Len Arave to adopt Supplemental Resolution No. 174 Authorizing the Issuance and Sale of \$14 Million Combined Utility System Bonds, Series 2020A. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

7. SRF LOAN - REPORT:

The District has sought partial funding for treatment plant rehabilitation and nutrient removal projects from the Utah Water Quality Board. The Water Quality Board considered the District's request at its regular Board Meeting on 3/25/20. The Water Quality Board authorized a \$14 million loan at 0.25%.

8. NOTICE OF VIOLATION AND COMPLIANCE ORDER (NOV/CO) - REPORT:

The District's South Plant has been in violation of its discharge permit limits for ammonia since July 2019. The South Plant is not able to consistently meet new lower limits for ammonia in its permit. The South Plant's ability to meet the permit limit is also affected by increased ammonia loading from its food waste-to-energy facility. The NOV/CO requires the District to submit detailed written proposals for mitigating interim measures while completing construction of permanent facilities to address nutrient removal. We must also submit a detailed proposal for the permanent improvements. There are also additional sampling and testing requirements. The District has been addressing this issue for some time. Plans and specifications for South Plant rehabilitation and nutrient removal facilities are nearly complete. A contractor has been procured and is waiting to begin construction upon issuance of a construction permit. Previous bonding will provide funding. The interim report has been completed and submitted. The second report is being prepared.

9. NORTH PLANT AMMONIA - REPORT:

The District's North Plant has the same problem meeting new permit limits for ammonia. During the last six months several months were in violation, but by very small amounts. It is not clear if the North Plant will be found to be in significant non-compliance (SNC) at this point. In any case nutrient removal must be provided. Engineering for the plant rehabilitation and nutrient removal is well under way.

10. WASATCH RESOURCE RECOVERY (WRR) - OPERATIONS AND BUDGET REPORT:

The budget was reviewed under agenda item 2.B.

Feed stock to the facility has seen declines due to the corona virus pandemic. So far, the declines are moderate. It is too early to tell if the pandemic will have significant effects on feed stocks.

Biosolids is proving to be a significant cost as expected. We are working to develop an assessment on the nitrogen and phosphorus content of the biosolids. We are searching for opportunities to market biosolids and the ammonium sulfate produced in processing the biosolids. The District is investigating a composting process which would produce a material marketable directly to fertilizer companies. Some of the challenges are the amount of green waste needed and space needed for this process. Mr. Lewis suggested discussing the project with Bountiful City because of their experience and expertise in this area.

The District has procured a baler to bale plastic packaging so that it can be sold to recyclers. This is a used unit from Wasatch Integrated Waste Management District. It is in very good condition, has been installed and is operating.

11. CONSIDER APPROVAL OF MUNICIPAL WASTEWATER PLANNING PROGRAM (MWPP) ANNUAL REPORT FOR 2019:

The Annual Self-Assessment Report questionnaire from the Division of Water Quality addressing performance and planning issues for both operational and financial planning for the District was submitted for review by Mr. Matt Myers.

Motion was made by Mr. Ryan Westergard seconded by Mr. Len Arave to adopt through Resolution the State of Utah Municipal Wastewater Planning Program Self-Assessment Report for 2019 as presented and reviewed. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

12. CONSIDER MUNICIPAL ADVISORY SERVICES AGREEMENT WITH STIFEL:

The firm of Stifel, Nicholas and Company, Inc. has been acting as the District's financial advisor for its capital financing transactions. Mr. Arave asked if the District is required to have a financial advisor. A financial advisor is not a legal requirement. State and local governments almost universally use one. Mr. Arave inquired as to the cost of financial advisor services. Mr. Westergard replied that the Agreement proposes \$1.25/\$1,000 of the transaction. Stifel has been a very active advisor assisting the District with understanding and following market rates.

Motion was made by Mr. Randy Lewis seconded by Mr. Mark Preece to approve the Agreement with Stifel, Nicholas and Company, Inc. as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

13. COVID-19 ACTION PLAN - UPDATE:

The District is a critical public infrastructure and has maintained basic services during this pandemic. We have asked the public and others that we deal with to conduct as much business as possible by telephone and/or email. The District has a relatively small staff employed at as much as five working sites. Most of the staff is naturally spread out and able to maintain social distancing.

Because of the nature of the wastewater treatment business we are always concerned with infectious waste and employee safety. Recommendations by all national agencies and associations concerned with wastewater treatment have been reviewed and followed.

14. GENERAL MANAGER'S REPORT:

A. ROCKY MOUNTAIN POWER - ENERGY AUDIT.

Rocky Mountain Power has retained a consulting firm to work with water and wastewater treatment facilities to perform energy audits. The project also addresses finding ways to conserve energy. This is proving to be a productive project. Plant operations and maintenance personnel have been able to implement a number of changes that save electricity with little or no cost.

15. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 21 May 2020, 5:00 p.m.

16. DISMISSAL:

The meeting ended at 7:30 p.m.

  
Chairman, Board of Trustees

  
Clerk