

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
15 August 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
Len Arave	Trustee (Arrived 6:00 pm)
Ryan Westergard	Trustee

Excused:

Mark Preece	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
Ron Mortensen	Resident, Bountiful
Brad Rasmussen	Aqua Engineering

1. MINUTES:

The meeting was called to order at 5:02 p.m. at which time the Chairman asked for comments of the regular Board Meeting held 18 July 2019. After consideration motion was made by Mr. Randy Lewis seconded by Mr. John Davies to accept the Minutes as presented. Motion carried with Trustees Hansen, Burningham, Davies and Lewis voting "aye". Mr. Westergard abstained from the vote as he was not present at the last meeting.

2. BUDGET REPORT:

A. SOUTH DAVIS SEWER DISTRICT.

The Budget Report dated 8/13/19 was presented for review. The combined Revenue Budget has received 66% in revenues; The Collection System is 50% expended; Treatment Plants are 64% expended; Industrial Pretreatment is 60% expended; Capital Expansion is 55% expended; Water Quality Group (JR/FB) is 57% expended; OU2 Remediation is 47% expended; Water Quality Group (Utah Lake) is 33% expended; and General & Admin is 61% expended. The budget ratio to calendar months is 62%.

B. WASATCH RESOURCE RECOVERY (WWR).

The Budget Report dated 8/13/19 for WRR was presented for review. This report includes revenues and expenses from 1/1/19 to present. The combined Revenue Budget has received 17% in revenues and is 36% expended.

3. INVESTMENT REPORT:

Current investments are maintained by Zions Bank, Public Treasurer's Investment Fund (PTIF) and Moreton Asset Management. Moreton currently holds \$4 million at an approximate interest rate of 2.5906%; PTIF (July/2019) currently holds \$4.5 million at an approximate interest rate of 2.87%.

4. APPROVAL OF DISBURSEMENTS:

Trustees requested review on Zions Bank check number 28743. After consideration and some review motion was made by Mr. John Davies seconded by Mr. Ryan Westergard to accept the Disbursements as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis and Westergard voting "aye".

5. APPROVAL OF SEWER LINE CONSTRUCTION AGREEMENTS:

A. ISLAND VIEW PARK - PROJECT NO. 8-19.

Mr. Wayment recommended the Agreement for Island View Park, located at 750 East 550 South in Centerville, known as Project No. 8-19, be accepted.

B. THE WINNIE-PHASE 2 - PROJECT NO. 9-19.

Mr. Wayment recommended the Agreement for The Winnie-Phase 2, located at 646 North Orchard Drive in North Salt Lake, known as Project No. 9-19, be accepted.

Motion was made by Mr. Howard Burningham seconded by Mr. Randy Lewis to authorize the Chairman to sign the Agreements for Island View Park and The Winnie-Phase 2. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis and Westergard voting "aye".

6. APPROVAL OF SEWER LINE EASEMENTS:

A. KINROSS ESTATES - PROJECT NO. 7-18

A small portion of the sewer extends beyond this development onto a neighboring parcel. This easement covers that part of the sewer.

Motion was made by Mr. Randy Lewis seconded by Mr. Ryan Westergard to accept the Easement for Kinross Estates. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis and Westergard voting "aye".

7. APPROVAL OF SEWER LINE DEEDS:

A. THE MANORS AT MCKEAN MEADOW SUBDIVISION - PROJECT NO. 12-17.

The Deed for The Manors At McKean Meadow Subdivision located in West Bountiful, has been received. The total sewer costs for this development are \$66,180.00.

B. KINROSS ESTATES - PROJECT NO. 7-18.

The Deed for Kinross Estates located in West Bountiful, has been received. The total sewer costs for this development are \$250,904.00.

Motion was made by Mr. John Davies seconded by Mr. Howard Burningham to accept the Deeds for The Manors At McKean Meadow Subdivision and Kinross Estates. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Arave and Westergard voting "aye".

8. CONSIDER BOND COMPLIANCE AND MANAGEMENT POLICY:

The District's Series 2017 Bonds have numerous covenants and requirements that the District must fulfill. Chapman and Cutler have prepared a Bond Compliance and Management Policy which will help ensure that the District meets its obligations. The District's legal counsel, Mr. Mark Anderson, has also reviewed this policy.

Motion was made by Mr. Ryan Westergard seconded by Mr. John Davies to adopt the Bond Compliance and Management Policy as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis and Westergard voting "aye".

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

Alder Construction is working on final punch list items to complete the project. Work continues on electrical for the gas scrubbing equipment. Startup and commissioning are on-going. The biggest challenge is getting the digester biology up to full strength. We have found that digester feed stock is currently deficient in the trace nutrients iron, nickel and cobalt. The WRR Project Management Committee approved a four-month \$80,000 contract to provide a laboratory testing consulting and the trace nutrients. The District conducted a tour for Dominion Energy's Utah Advisory Committee.

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

There is nothing new to report on the ABNR project while we work on incorporating the ABNR process into the North Plant rehabilitation and upgrade project.

11. CONSIDER CAPITAL PROJECTS PLAN AND SCHEDULE:

The District's Capital Projects Plan and Schedule was reviewed and discussed. The District has four major projects; 1) North Plant Rehabilitation, 2) North Plant Nutrient Removal, 3) South Plant Rehabilitation, and 4) South Plant Nutrient Removal. It has been over 25 years since the plants were updated. These plants are in good condition, but there are things that wear out and must be replaced. New regulatory requirements for nitrogen and phosphorus require that new processes be provided. The engineer's cost estimate for the total cost of these projects is \$52,669,304. Scheduling for these projects was discussed. The nutrient removal projects are driven by regulatory issues and need to be done as quickly as possible. The rehabilitation projects could follow later. The pros and cons of multiple contracts and multiple disruptions of plant operations were discussed. It is felt that while challenging all four projects should be coordinated and undertaken simultaneously. Discussions have been held with a number of funding sources. Traditional municipal bonds are an option. There are also options for direct investment funding and bank financing. Interest rates are currently very low and lenders are anxious to be involved in public utility projects.

Motion was made by Mr. Randy Lewis seconded by Mr. Len Arave to approve the Capital Projects Plan and Schedule as presented. Individual budgets and contracts will be approved on a case-by-case basis. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Arave and Westergard voting "aye".

12. GENERAL MANAGER'S REPORT:

A. DIVISION OF WATER QUALITY (DWQ) - LAKE BOTTOM INSTRUMENTATION MOUNT.

The District volunteered to build a mount for DWQ for instrumentation to be installed on the bottom of Utah Lake to measure and record various parameters such as temperature, dissolved oxygen, water movement, etc. This mount has been equipped with the necessary instrumentation and installed in Utah Lake by DWQ. The District received a letter of appreciation from Eric Gaddis, Director of DWQ. District staff did a great job of designing and fabricating this equipment.

B. SCS GLOBAL - RENEWAL ENERGY DIRECTIVE CERTIFICATE.

The District's customer for its renewable natural gas (RNG) must meet stringent European Union documentation requirements to show that the RNG was produced using only waste materials. This involved a very lengthy training process and actually securing the necessary documentation has been an arduous task. Morgan Bowerman and Jeff Whitbeck, with ALPRO, have done a great job in accomplishing this task.

C. WORKERS COMPENSATION INSURANCE FUND (WCF).

The District received a notice from the WCF that its experience modifier for 2020 is .71. This essentially means the District receives a 29% discount on the average price of workers compensation insurance due to its good claims history.

D. SCHEDULE WRR PROJECT MANAGEMENT COMMITTEE MEETING.

This meeting has been scheduled for noon on Thursday, 8/29/19, at the District's Office.


13. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 19 September 2019, 5:00 p.m.

14. DISMISSAL:

The meeting ended at 7:50 p.m.


Chairman, Board of Trustees


Clerk