

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
20 February 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
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
Marcus Keller	Zions Public Finance
Ron Mortensen	Resident, Bountiful
Deby Marshall	Resident, West Bountiful

1. MINUTES:

The 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 January 2020. After consideration motion was made by Mr. Ryan Westergard seconded by Mr. Len Arave to accept the Minutes as presented. Motion carried unanimously with Trustees Hansen, Burningham, Preece, Arave and Westergard voting "aye",

2. BUDGET REPORT:

A. SOUTH DAVIS SEWER DISTRICT.

The Budget Report dated 2/19/20 was presented for review. The combined Revenue Budget has received 16% in revenues; the Collection System is 15% expended; Treatment Plants are 16% expended; Industrial Pretreatment is 18% expended; Capital Expansion is 0% expended; Water Quality Group (JR/FB) is 9% expended; OU2 Remediation is 10% expended; Water Quality Group (Utah Lake) is 7% expended; and General & Admin is 23% expended. The budget ratio to calendar months is 13%.

B. WASATCH RESOURCE RECOVERY (WRR).

The Budget Report dated 2/20/20 for WRR was presented for review. The Budget has received 2% in revenues and is 25% expended. The budget ratio to calendar months is 13%.

3. INVESTMENT REPORT:

Current investments (January/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 2.20% (funds are with PTIF); PTIF held approximately \$8.2 million at an interest rate of 2.20%; and, Moreton held approximately \$1.8 million at an interest rate of 2.03%.

4. APPROVAL OF DISBURSEMENTS:

Trustees requested review on Zions Bank check number 29417. After consideration and some review motion was made by Mr. Howard Burningham seconded by Mr. Mark Preece to accept the Disbursements as presented. Motion carried unanimously with Trustees Hansen, Burningham, Preece, Arave and Westergard voting "aye".

5. CONSIDER RESOLUTION NO. 115-06 - FEDERAL SURPLUS PROPERTY PROGRAM:

This Resolution authorizes the purchase of federal surplus equipment from the State and Federal surplus system.

Motion was made by Mr. Howard Burningham seconded by Mr. Ryan Westergard to approve the federal surplus property program and adopt Resolution No. 115-06. Motion carried unanimously with Trustees Hansen, Burningham, Preece, Arave and Westergard voting "aye".

6. CONSIDER USER RATE STUDY - ZIONS PUBLIC FINANCE:

Mr. Marcus Keller of Zions Public Finance presented the findings of the rate study they have been conducting for the last several months. The purpose of the study was to determine sewer rates needed to support the rehabilitation of its two wastewater treatment plants and the addition of nutrient removal ability to these plants. Various combinations of rates over the next five years were discussed. Board Members questioned assumptions relating to project costs, O&M costs, interest rates, inflation, etc. The Board took the report under advisement to be followed up at a future meeting.

7. CONSIDER PLANT REHABILITATION AND NUTRIENT REMOVAL FUNDING:

Financing for the rehabilitation of the District's treatment plants and the addition of nutrient removal was discussed. The District has been authorized a low interest loan from the Utah Water Quality Board. This loan would cover approximately 50% of the anticipated costs. The traditional bond market is an option. Direct purchase bonds working with a large bank or investment group is also an option. Terms and conditions, interest rates and overall interest costs for these options were reviewed and discussed. The Utah Water Quality Board loan will be reviewed by the Water Quality Board on February 26th.

8. NOTICE OF VIOLATION (NOV) FROM DIVISION OF WATER QUALITY (DWQ) - REVIEW:

The District has submitted a response to the Notice of Violation for permit exceedances at the South Plant. The State has notified the District verbally that an additional NOV will be issued for December and January. The State has requested additional information which we will be submitting.

9. WASATCH RESOURCE RECOVERY (WRR) - ODOR ISSUES AT SOUTH PLANT:

A list of the 13 projects the District has undertaken to mitigate odors from the WRR facility which affect the Foxboro community was reviewed. North Salt City sponsored a community meeting on February 19th. The meeting with residents was positive. Our last project was completed two weeks ago and we haven't received any odor complaints since that time. The community residents at the meeting indicated they had not experienced odors during the past two weeks. We may still have some minor issues, but we seem to be getting ahead of the problem.

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

This item will be reviewed at the next meeting.

11. WASATCH RESOURCE RECOVERY (WRR) - CONSIDER CHANGE ORDER AND FINAL REPORT:

The final change order for the construction of the WRR facility was reviewed. It consisted of 14 items totaling \$680,090.88. Change Order No. 1 was a credit and the net effect of all change orders reduced the contract by \$216,516.93.

Payment Request No. 30 incorporates this final change order and the final project expenses. The District's share of this pay request is \$351,887.51. Payment Request No. 31 releases the retention being held by the District on the project. The District's share of this pay request is \$513,141.37. Total of pay requests including the Change Order is \$865,028.88.

Motion was made by Mr. Len Arave seconded by Mr. Ryan Westergard to approve and authorize payment of Change Order No's 30 and 31. Final payments shall be reconciled with District and ALPRO reimbursable expenses. Motion carried unanimously with Trustees Hansen, Burningham, Preece, Arave and Westergard voting "aye".

12. ADVANCED BIOLOGICAL NUTRIENT REMOVAL (ABNR) PILOT PLANT PERFORMANCE REPORT:

For the last 75 days the District has been operating the ABNR pilot plant utilizing wastewater from the North Plant. The system functioned flawlessly producing very low levels of phosphorus and ammonia. This test reaffirmed that toxicity is not a problem at the North Plant and gave us more operational experience with the system.

13. GENERAL MANAGER'S REPORT:

A. NORTH SALT LAKE ECONOMIC DEVELOPMENT.

A proposed new development in North Salt Lake would include 27,000 sq. ft. of office space, 16,000 sq. ft. of commercial retail and residential apartment buildings with 424 dwellings. There are a number of significant projects that have already been submitted this past year. These projects are much higher density than we have historically seen in South Davis. The District is currently updating its facilities master plan particularly reviewing population, wastewater volume and wastewater strength projections.

14. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 19 March 2020, 5:00 p.m.

15. DISMISSAL:

The meeting ended at 7:25 p.m.



Clerk


Vice-Chairman, Board of Trustees