

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
21 January 2016

The Board of Trustees of the South Davis Sewer District, Davis and Salt Lake Counties, met in regular session at 5:20 p.m. at the District Office located at 1800 West 1200 North, West Bountiful, Utah, with the following members present:

Arnell Heaps	Chairman (via teleconference) (Excused at 7:00 p.m.)
Dee Hansen	Vice-Chairman
John Davies	Trustee
Howard Burningham	Trustee
Mark Preece	Trustee
Len Arave	Trustee
Ryan Westergard	Trustee

Others meeting with the Board:

Dal Wayment	General Manager/Treasurer
Mark Katter	Accounting Manager/Clerk
Susanne Monsen	Administrative Assistant
Matt Myers	Engineer
Mark Anderson	Fabian VanCott/Attorney
Scott Rogers	Aqua Engineering/ALPRO

1. MINUTES:

The meeting was called to order at 5:20 p.m. at which time the Vice-Chairman asked for comments of the regular Board Meeting and Budget Hearing held 3 December 2015. After consideration motion was made by Mr. Howard Burningham seconded by Mr. Len Arave to accept the Minutes as presented. Motion carried with Trustees Hansen, Davies, Burningham, Preece, Arave and Westergard voting "aye". Chairman Heaps abstained from the vote.

2. BUDGET REPORT:

The unaudited final Budget Report dated 12/31/15 was presented for review. The Collection System has received 90% in revenues and is 94% expended; Treatment Plants have received 70% in revenues and are 92% expended; Industrial Pretreatment has received 107% in revenues and is 90% expended; Capital Expansion has received 130% in revenues and is 43% expended; Water Quality Group (JR/FB) has received 117% in revenues and is 99% expended; OU2 Remediation has received 72% in revenues and is 63% expended; and Water Quality Group (Utah Lake) has received 78% in revenues and is 40% expended. The budget ratio to calendar months is 100%.

3. APPROVAL OF DISBURSEMENTS:

Trustees requested review on Zions Bank check numbers 23300 and 23337. After consideration and some review motion was made by Mr. John Davies seconded by Mr. Howard Burningham to accept the Disbursements as presented. Motion carried with Trustees Heaps, Hansen, Davies, Burningham, Preece, Arave and Westergard voting "aye".

A. APPROVE PURCHASE OF DUMP TRUCK-CHECK NO. 23402.

The District budgeted to purchase a used 10-wheel 12-yard dump truck for 2016. The truck that we are proposing to purchase is \$15,000.00. Researching used truck prices on the internet, staff found that the going price for such a truck is about \$30,000.00. The truck we are proposing to purchase requires a new tailgate, a new floor in the bed and some other repairs, leaving us still well within the \$30,000.00 price range.

Motion was made by Mr. Ryan Westergard seconded by Mr. John Davies to approve the purchase of the dump truck as presented. Motion carried with Trustees Heaps, Hansen, Davies, Burningham, Preece, Arave and Westergard voting "aye".

4. APPROVAL OF SEWER LINE CONSTRUCTION AGREEMENTS:

A. JT THORPE FACILITY - PROJECT NO. 8-15.

Mr. Wayment recommended the Agreement for the JT Thorpe facility, located at approximately 1400 West Center Street in North Salt Lake, known as Project No. 8-15, be accepted.

B. WOODS CROSS COMMERCIAL SUBDIVISION - PROJECT NO. 1-16.

Mr. Wayment recommended the Agreement for Woods Cross Commercial Subdivision, located at approximately 2600 South Wildcat Way in Woods Cross, known as Project No. 1-16, be accepted.

Motion was made by Mr. Len Arave seconded by Mr. Mark Preece to authorize the Vice-Chairman to sign the Agreements for the JT Thorpe facility and Woods Cross Commercial Subdivision. Motion carried with Trustees Heaps, Hansen, Davies, Burningham, Preece, Arave and Westergard voting "aye".

5. APPROVAL OF SEWER LINE DEEDS:

A. THE LOFT @ 99 PUD - PROJECT NO. 1-15.

The Deed for The Loft @ 99 PUD, located in North Salt Lake, has been received. The total sewer costs for this development are \$23,750.00.

B. RUTH ESTATES SOUTH SUBDIVISION - PROJECT NO. 4-15.

The Deed for Ruth Estates South Subdivision, located in Bountiful, has been received. The total sewer costs for this development are \$43,420.00.

Motion was made by Mr. Mark Preece seconded by Mr. Ryan Westergard to accept the Deeds for the Loft @ 99 PUD and Ruth Estates South Subdivision. Motion carried with Trustees Heaps, Hansen, Davies, Burningham, Preece, Arave and Westergard voting "aye".

6. DECLARE SURPLUS ITEMS:

The District budgeted for a new larger machine trailer for its track hoe, which has been purchased. We budgeted for a new cab/chassis for the District's purpose-built MiniJetter, which has been purchased. We also purchased a new front end loader to replace the Komatsu. Staff recommends that the old equivalent items which have been replaced be declared surplus and sold in March at the upcoming public auction at Ritchie Bros. in Tooele.

Motion was made by Mr. Howard Burningham seconded by Mr. Len Arave to surplus the items discussed. Motion carried with Trustees Heaps, Hansen, Davies, Burningham, Preece, Arave and Westergard voting "aye".

7. UPDES PERMIT RENEWAL - DISCUSSION:

A. COPPER LIMIT.

This item has been resolved and there will be no copper limit in our new permits.

B. PHOSPHORUS LIMIT.

This issue has been resolved and there will be no phosphorus limit in our new permits. The District is still under the obligation, however, to meet a 1 mg/l phosphorus limit by 2020.

C. AMMONIA.

The reduction of the ammonia limit has not been resolved. This is a complicated and difficult issue with a number of unresolved underlying factors. The Division of Water Quality is continuing to work with the District on this issue.

8. REVIEW RESOURCE RECOVERY PROJECT AND CONSIDER TERMS FOR PROCEEDING WITH PROJECT:

The District's Resource Recovery Project (RRP) Committee (Dee Hansen, Len Arave, Ryan Westergard), District staff, the District's legal counsel, Mr. Mark Anderson, and the District's bond attorney, Mr. Jim Burr met with the principles from ALPRO (Bruce Alder, Eric Alder, Glenn Perry, Scott Rogers) met to discuss details of a joint project. The group reviewed a number of management and funding proposals. After much discussion it was proposed that each party contribute \$4 million cash to the project and be responsible for 50% of the debt financing required to implement the project.

9. CONSIDER MEMORANDUM OF UNDERSTANDING WITH ALPRO TO PROCEED WITH PROJECT:

The RRP Committee reported favorably on their meeting with ALPRO. A Memorandum of Understanding (MOU) has been prepared that incorporates the details of that discussion. This MOU facilitates actions needed to continue progressing with the project. For example, the District needs to seek legislative approval for it to handle solid waste. The MOU makes it clear that it is the District's intent to follow through and build the project if certain conditions are met. In addition to solid waste authority the District needs authorization to involve a private entity in the project. Cost estimates, cash flow estimates, financing costs, sources of feed stock, the energy market are all issues that need to continue to meet minimum criteria for project viability. The MOU provides off ramps if these necessary conditions are not met.

Motion was made by Mr. Len Arave seconded by Mr. John Davies to approve the Memorandum of Understanding with further explanation of predevelopment costs and subject to language clarification by legal counsel. Motion carried with Trustees Hansen, Davies, Burningham, Preece, Arave and Westergard voting "aye".

10. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 18 February 2015, 5:00 p.m.

11. DISMISSAL:

The meeting ended at 7:20 p.m.


Vice-Chairman, Board of Trustees


Clerk