

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
17 September 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
Matt Myers	Assistant General Manager
Mark Katter	Accounting Manager/Clerk
Susanne Monsen	Administrative Asst/Asst Clerk
Marcus Keller	Zions Public Finance (via videoconference)
Mike Keller	Attorney/Fabian VanCott (via videoconference)
Ron Mortensen	Resident/Bountiful

1. APPROVAL OF 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 20 August 2020. After consideration motion was made by Mr. John Davies seconded by Mr. Len Arave 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 9/15/20 was presented for review. The combined Revenue Budget has received 39% in revenues; the Collection System is 60% expended; Treatment Plants are 80% expended; Industrial Pretreatment is 69% expended; Capital Expansion is 10% expended; Water Quality Group (JR/FB) is 67% expended; OU2 Remediation is 58% expended; Water Quality Group (Utah Lake) is 67% expended; and General & Admin is 69% expended. The budget ratio to calendar months is 69%.

B. WASATCH RESOURCE RECOVERY (WRR).

The Budget Report dated 9/15/20 for WRR was presented for review. The Budget has received 11% in revenues and is 60% expended. The budget ratio to calendar months is 69%.

3. INVESTMENT REPORT:

Current investments (August/2020) are maintained by Zions Trust, Public Treasurer's Investment Fund (PTIF) and Moreton Asset Management. Zions Trust held approximately \$10.1 million at an interest rate of 0.5458% (funds are with PTIF); PTIF held approximately \$7.3 million at an interest rate of 0.5458%; and, Moreton held approximately \$1.8 million at an interest rate of 1.1461%.

4. APPROVAL OF DISBURSEMENTS:

After a review of the Zions Bank check register motion was made by Mr. Randy Lewis seconded by Mr. Howard Burningham 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. DESERET FIRST CREDIT UNION - PROJECT NO. 8-20.

Mr. Wayment recommended the Agreement for Deseret First Credit Union, located at approximately 260 North 500 West in Bountiful, known as Project No. 8-20, be accepted.

B. JMW PROPERTIES REDWOOD ROAD - PROJECT NO. 9-20.

Mr. Wayment recommended the Agreement for JMW Properties Redwood Road, located at approximately 1273 South Redwood Road in Woods Cross, known as Project No. 9-20, be accepted.

Motion was made by Mr. Len Arave seconded by Mr. Mark Preece to authorize the Chairman to sign the Agreements for Deseret First Credit Union and JMW Properties Redwood Road. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

6. APPROVAL OF SEWER LINE EASEMENTS:

A. MIRELLA AT FOXBORO APARTMENTS - PROJECT NO. 12-19.

An Easement (#0385) for Mirella At Foxboro Apartments located in North Salt Lake, has been received. The roads/driveways in this development are all private and this Easement authorizes O&M for all sanitary sewer main lines serving this apartment community.

Motion was made by Mr. Mark Preece seconded by Mr. Len Arave to accept Easement #0385 as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

7. APPROVAL OF SEWER LINE DEEDS:

A. LEGACY CROSSING AT PARRISH LANE LOT 4 AMENDED - PROJECT NO. 13-13.

The Deed for Legacy Crossing At Parrish Lane Lot 4 Amended located in Centerville, has been received. The total sewer costs for this development are \$30,662.00.

B. THE WINNIE PUD (PHASE 1) - PROJECT NO. 19-18

The Deed for The Winnie PUD located in North Salt Lake has been received. The total sewer costs for this development are \$127,794.00.

C. WELLINGTON PLACE PUD - PROJECT NO. 7-19.

The Deed for Wellington Place PUD located in North Salt Lake, has been received. The total sewer costs for this development are \$127,304.00.

D. THE WINNIE PHASE 2 PUD - PROJECT NO. 9-19.

The Deed for The Winnie Phase 2 PUD located in North Salt Lake, has been received. The total sewer costs for this development are \$41,613.00.

E. MIRELLA AT FOXBORO APARTMENTS - PROJECT NO. 12-19.

The Deed for Mirella At Foxboro Apartments located in North Salt Lake, has been received. The total sewer costs for this development are \$130,000.00.

Motion was made by Mr. John Davies seconded by Mr. Howard Burningham to accept the Deeds for Legacy Crossing At Parrish Lane Lot 4 Amended, The Winnie PUD (Phase 1), Wellington Place PUD, The Winnie Phase 2 PUD and Mirella At Foxboro Apartments. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

8. CONSIDER JOINT RESOLUTION OF BOUNTIFUL CITY (RES. NO. 2020-14) AND OF THE SOUTH DAVIS SEWER DISTRICT (RES. NO. 175) DECLARING AN INTENT TO ADJUST THE BOUNDARY OF THE SOUTH DAVIS SEWER DISTRICT WITHIN BOUNTIFUL CITY:

Upon adoption of the Joint Resolution of Intent by both the South Davis Sewer District and Bountiful City a notice will be published in the Davis County Clipper and the Utah Public Notice Website advising interested parties of the intent to adjust the District boundaries within Bountiful City and the date of the Public Hearing of each entity. If no written protests are filed prior to or at either or both of the Public Hearings (60-day waiting period after adoption by both parties of the Resolution of Intent) a Joint Resolution approving the boundary adjustment and the final local entity plat will be presented for adoption at the District's December Board Meeting. Within 30 days after the Joint Resolution approving the boundary adjustment is adopted, a Notice of Impending Boundary Action will be filed with the Lt. Governor's Office.

Motion was made by Mr. Howard Burningham seconded by Mr. Len Arave to Declare an Intent to Adjust the District boundary with Bountiful City through Resolution No. 175 as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

9. CONSIDER THE FINDINGS AND RECOMMENDATIONS OF THE SEWER RATE STUDY:

The District's two wastewater treatment plants are 60 years old. It has been 28 years since the last major plant rehabilitation. In addition, the Utah Division of Water Quality (DWQ) has mandated that both plants provide for the reduction of nitrogen and phosphorus in their effluent. Planning and engineering for these requirements have been in progress for the last several years. The total anticipated costs of these projects over the next three years is \$50 million.

Zions Public Finance has been retained to conduct a study of the revenue requirements for these projects, current O&M costs and the additional operation costs of the new facilities. Nutrient removal requires significant quantities of chemicals and power.

Zions presented their analysis of District finances and revenue needs. They also presented a range of options for rate and/or property tax increases to meet these needs. The options reviewed ranged from using the sewer rate/fee for all of the increase with no tax increase or using tax revenue and no sewer rate increase. The impact of rates versus taxes on different residents and businesses was discussed. It was noted that sewer rate increases are very regressive, putting a significant burden on lower income residents. Historically, the District has been funded roughly 50/50 by property taxes and sewer rates. This has been an equitable approach to providing necessary revenues. A small one bedroom apartment pays the same sewer rate as an eight bedroom four bath home. The large home, however, pays a significantly higher property tax than the one bedroom apartment. After much discussion the Board felt that increasing both rates and taxes was the most equitable approach.

Motion was made by Mr. Howard Burningham seconded by Mr. John Davies to adopt scenario 6 from Zions presentation which would raise sewer rates by approximately 55% and tax rates by approximately 45%. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

10. SOUTH PLANT NOTICE OF VIOLATION (NOV) - CONSIDER CONSENT AGREEMENT:

A draft Consent Agreement for settling the South Plant permit violations has been received from DWQ. The draft was reviewed by Mike Keller, Fabian VanCott's regulatory specialist. The agreement proposes a fine of \$125,963.00 and a number of conditions. Mr. Keller reviewed issues that need to be resolved before the agreement would be acceptable to the District. Staff and legal counsel will work to develop a response to this draft and meet with DWQ as necessary to reach a final agreement. We may need to schedule a special board meeting to consider approval of a final draft.

11. NORTH PLANT NOTICE OF VIOLATION (NOV):

The District has received an NOV for ammonia exceedances that occurred at the end of 2019 and early 2020. The amount and duration of exceedances in this NOV are much less significant than those at the South Plant. We expect to resolve this NOV expeditiously.

12. SOUTH PLANT ODORS - CONSIDER DISPERSION STUDY AND CONTROL CONTRACT MEASURES:

One of the final recommendations of the South Plant Odor Study prepared by Jacobs Engineering is to conduct a dispersion study. This study would provide an analysis of weather data and topical data and prepare a computer model which would show the effect of South Plant odor sources on the surrounding area and help to identify and prioritize remaining odor control measures. The cost of this study is \$91,785.00.

The most significant remaining odor source is the biosolids storage and loading area. The Jacobs study recommended several vendors of technologies that use misting and/or vapor systems that neutralize or destroy odors. These are not fragrance systems that try to mask odors with a better smell. We have had detailed discussions with vendors and have budget proposals. The ultimate cost of a permanent installation would range from \$75,000-\$100,000.

The District continues to impact the Foxboro neighborhood. The number of complaints has been significantly reduced, but the Board feels that continued improvement is urgent.

Motion was made by Mr. Len Arave seconded by Mr. Randy Lewis to approve both the dispersion study and the misting/vapor system. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

It was suggested that the District contract with a resident of the Foxboro neighborhood to respond to odor complaints. Most of the odor complaints are in the late evening or early morning. It is difficult to get someone there in time identify the odor and document conditions such as wind direction. A Foxboro resident could generally be at the site of an odor complaint within 5-10 minutes, call on the resident with the complaint and document what they are experiencing.

Motion was made by Mr. Mark Preece seconded by Mr. Howard Burningham to contract with a Foxboro resident to respond to odor issues. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

13. WASATCH RESOURCE RECOVERY (WRR) - REPORT:

The anaerobic digesters are healthy and performing well. Feed stock volumes are still down from pre-Covid levels, but we continue to bring in new feed stocks on a regular basis. The gas conditioning facilities are still not complete. We have hired a former employee of the gas conditioning equipment vendor. His knowledge and experience is allowing us to make significant progress in getting this unit commissioned. We are hoping to deliver gas to the Dominion network in approximately five weeks.

The screw conveyor feeding the depackaging machine jammed and destroyed itself. Operations staff rapidly came up with a very effective wrap around while this unit is down. Rather than replace this conveyor staff is reviewing options to eliminate it entirely.

We had very significant winds last week at the South Plant and WRR facility. We lost some siding and insulation from the FOG storage tank and from the #2 digester. A small amount of piping was damaged and has been repaired.

Mayor Arave indicated the Wasatch Integrated Board would like to schedule a tour.

14. SOUTH PLANT REHABILITATION & NUTRIENT REMOVAL - REPORT:

Construction is under way and proceeding at the South Plant. During the last few weeks Aqua Engineering and District staff have spent significant time and effort evaluating the aeration blowers. These are very expensive units with very high operating costs making equipment selection very important. Aqua and District staff have also spent significant time evaluating proposals for the moving bed bioreactor system. Again, this is an expensive piece of equipment which justifies extensive effort in procurement. Mark Anderson, District counsel, has provided an updated draft of the contract.

15. NORTH PLANT REHABILITATION & NUTRIENT REMOVAL - REPORT:

Mark Anderson has also provided an updated draft for the contract with Clearas for the Advanced Biological Nutrient Removal (ABNR) technology. Aqua, Clearas and District staff have worked on finalizing procurement of the membrane filtration system for the North Plant ABNR. With Aqua and District approval of a proposal from Suez, Clearas has issued a purchase order for this equipment.

16. RESCHEDULE OCTOBER BOARD MEETING:

Motion was made by Mr. Randy Lewis seconded by Mr. Mark Preece to reschedule the October Board Meeting to October 29th. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

17. SCHEDULE ENGINEERING AND PERSONNEL COMMITTEE MEETINGS - 2021 BUDGET:

A. ENGINEERING COMMITTEE.

In preparation for the 2021 Budget, the Engineering Committee (John Davies, Len Arave, Randy Lewis) will meet via teleconference on Thursday, 29 October 2020, at 3:00 p.m.

B. PERSONNEL COMMITTEE.

In preparation for the 2021 Budget, the Personnel Committee (Howard Burningham, Mark Preece, Randy Lewis) will meet at the District Office on Thursday, 29 October 2020, at 3:00 p.m.

18. SET PUBLIC HEARING TO AMEND 2020 BUDGET (OCT/2020):

Motion was made by Mr. Howard Burningham seconded by Mr. Len Arave to authorize the Public Hearing to amend the 2020 Budget to commence on 29 October 2020, at 5:00 p.m. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

19. GENERAL MANAGER'S REPORT:

A. NORTH POINT ANNEXATION.

Unincorporated Salt Lake County and North Salt Lake City.

20. NEXT MEETING SCHEDULED:

The next regular meeting has been scheduled for Thursday, 29 October 2020, 5:00 p.m.

21. DISMISSAL:

The meeting ended at 8:17 p.m.


Chairman, Board of Trustees


Clerk