

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
19 March 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 (via teleconference)
Howard Burningham	Vice-Chairman
John Davies	Trustee (via teleconference)
Randy Lewis	Trustee (via teleconference)
Mark Preece	Trustee (via teleconference)
Len Arave	Trustee (via teleconference)
Ryan Westergard	Trustee (via teleconference)

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 (via teleconference)

1. MINUTES:

The meeting was called to order at 5:00 p.m. at which time the Vice-Chairman asked for comments of the regular Board Meeting held 20 February 2020. After consideration motion was made by Mr. Randy Lewis 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 3/18/20 was presented for review. The combined Revenue Budget has received 19% in revenues; the Collection System is 22% expended; Treatment Plants are 23% expended; Industrial Pretreatment is 24% expended; Capital Expansion is 2% expended; Water Quality Group (JR/FB) is 14% expended; OU2 Remediation is 23% expended; Water Quality Group (Utah Lake) is 18% expended; and General & Admin is 30% expended. The budget ratio to calendar months is 22%.

B. WASATCH RESOURCE RECOVERY (WRR).

The Budget Report dated 3/17/20 for WRR was presented for review. The Budget has received 3% in revenues and is 16% expended. The budget ratio to calendar months is 22%.

3. INVESTMENT REPORT:

Current investments (February/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 2.1034% (funds are with PTIF); PTIF held approximately \$8 million at an interest rate of 2.1034%; and, Moreton held approximately \$1.8 million at an interest rate of 2.0843%.

4. APPROVAL OF DISBURSEMENTS:

After consideration motion was made by Mr. Mark Preece seconded by Mr. Dee Hansen 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. COTTAGES ON MAIN PHASES 1 & 2 - PROJECT NO. 15-19.

Mr. Wayment recommended the Agreement for Cottages on Main Phases 1 & 2, located at 1295 North Main in Bountiful, known as Project No. 15-19, be accepted.

B. VALLEY MEADOWS SUBDIVISION - PROJECT NO. 16-19.

Mr. Wayment recommended the Agreement for Valley Meadows Subdivision, located at 1400 West 1500 South in Woods Cross, known as Project No. 16-19, be accepted.

C. VILLAGE STATION AT EAGLEWOOD - PROJECT NO. 1-20.

Mr. Wayment recommended the Agreement for Village Station at Eaglewood, located at 420 South Orchard Drive in North Salt Lake, known as Project No. 1-20, be accepted.

Motion was made by Mr. John Davies seconded by Mr. Len Arave to authorize the Vice-Chairman to sign the Agreements for Cottages on Main Phases 1 & 2, Valley Meadows Subdivision and Village Station at Eaglewood. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

6. COVID-19 ACTION PLAN:

The District has adopted an emergency action plan to address issues raised by the Covid-19 pandemic. Guidance from the Center for Disease Control (CDC), the World Health Organization (WHO) and the Environmental Protection Agency (EPA) indicate that the normal hygiene and personal protective equipment used by wastewater personnel are adequate to protect them on the job. Operators and office personnel should follow the hygiene guidelines being widely published. Normal levels of chlorination are adequate to destroy the Covid-19 virus in our effluent. The District will strictly follow guidelines to have anyone who has contracted the virus to remain at home. Employees with known exposure at home, from travel, etc. are expected to self-quarantine for 14 days. Jet washing the sewer lines has been suspended except for emergencies. This will reduce exposure of those workers to potentially contaminated aerosols. Mr. Arave suggested that work shifts or other means be utilized to increase social distancing at work.

7. CONSIDER BOND PROPOSALS FROM THE DIVISION OF WATER QUALITY (DWQ) AND ZIONS PUBLIC FINANCE:

The District must fund up to \$58 million of construction costs to meet regulatory requirements. The Board reviewed proposed funding sources from the Utah Division of Water Quality Revolving Loan Fund (SRF), Zions Public Finance and JP Morgan. The District has met with the Water Quality Board and DWQ staff and developed a proposal to combine SRF and Zions Public Finance bonding. This combined funding provides significant economic and other benefits for both parties. The combined funding reduces interest paid over the life of the loan by approximately \$1.5 million and reduces the average annual debt service by \$65,000.00.

Motion was made by Mr. John Davies seconded by Mr. Dee Hansen to proceed with the loan process with DWQ and Zions Public Finance subject to final approval of terms and documents by the District's financial advisor, Stifel Public Finance and the District's bond counsel, Chapman and Cutler. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

8. WASATCH RESOURCE RECOVERY (WRR) - ODOR CONTROL UPDATE:

The District has made significant progress with odor control at the WRR facility. In the last six weeks we know of three odor complaints. We have not identified a source of odor for these complaints. We will continue following up on this issue. Mr. Arave asked that we coordinate specifically with North Salt Lake City Councilmember Ryan Mumford.

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

The budget was reviewed under agenda item 2.B. The operations budget is significantly ahead of schedule. Several major items of considerable expense were reviewed.

The ammonia scrubbing process has not been operating as efficiently as it should. We experienced extreme scale build up on the media in the ammonia scrubbing tower. We have had to remove the media and replace it with new. It has been placed back in operation and is functioning at its design efficiency. We have developed a number of process monitoring and control procedures to control scaling. Consulting with Dr. Jeff Easton of WesTech Engineering we have found a process change which should reduce the potential for scaling significantly.

The gas scrubbing equipment vendor is still struggling to get that equipment fully commissioned and operational. Once operational we can continue the necessary quality control sampling. We hope this sampling will remove mercury as an issue. In the meantime, we have been working with Dominion Energy staff to see if a more realistic mercury limit can be adopted. We are at best several weeks out from being able to sell gas.

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

We have recently received a number of shipping containers of glass pipe for the ABNR project. We continue to work with Clearas Water Recovery on planning, procurement and engineering for the project.

11. NOTICE OF VIOLATION (NOV) - CONSIDER ADDITION OF AERATION TO THE 1ST STAGE TRICKLING FILTER:

We have not had any further communication with DWQ on the enforcement action.

Adding aeration to the existing 1st stage trickling filter is part of the new nutrient removal facilities at the South Plant. This aeration capacity could also address one possible source of odors. This is a straightforward project that could be accomplished within 30 days. The estimated cost is \$50,000.00.

Motion was made by Mr. Dee Hansen seconded by Mr. John Davies to authorize the addition of aeration to the 1st stage trickling filter as presented. Motion carried unanimously with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

12. GENERAL MANAGER'S REPORT:

A. 2018 CONSOLIDATED ANNUAL FINANCIAL REPORT (CAFR) - GFOA AWARD.

Mr. Wayment reported the District received its Certificate of Achievement for Excellence in Financial Reporting for 2018 from the Government Finance Officers Association (GFOA) of the U.S. and Canada. This is the 21st consecutive year the District has received this award.

Mr. Wayment commented that the CAFR has been a valuable resource during the bonding process.

B. EARTHQUAKE - 3/18/20.

Wednesday's earthquake did not do any damage to the District's treatment plants, WRR, ABNR or collection system facilities. Because of general concerns at this time we are ensuring that all emergency fuel reserves, chemical tanks, etc. are maintained as full as possible.

13. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 16 April 2020, 5:00 p.m.

14. DISMISSAL:

The meeting ended at 6:42 p.m.


Chairman, Board of Trustees


Clerk