

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
16 July 2015

The Board of Trustees of the South Davis Sewer District, Davis and Salt Lake Counties, met in regular session at 4:00 p.m. at the District Office located at 1800 West 1200 North, West Bountiful, Utah, with the following members present:

Arnell Heaps	Chairman
Dee Hansen	Vice-Chairman
John Davies	Trustee
Howard Burningham	Trustee (Arrived 4:35 pm)
Mark Preece	Trustee
Len Arave	Trustee (Excused 5:10 pm)
Ryan Westergard	Trustee

Others meeting with the Board:

Dal Wayment	General Manager/Treasurer
Susanne Monsen	Administrative Assistant
Matt Myers	District Engineer
Lanese Hendrickson	Consulting Engineer
Scott Rogers	Aqua Engineering/ALPRO
Mark Anderson	Fabian & Clendenin, PC/Attorney

1. MINUTES:

The meeting was called to order at 4:00 p.m. at which time the Chairman asked for comments of the regular Board Meeting held 18 June 2015. After consideration motion was made by Mr. Dee Hansen seconded by Mr. John Davies to accept the Minutes as presented. Motion carried with Trustees Heaps, Hansen, Davies, Preece, Arave and Westergard voting "aye".

2. BUDGET REPORT:

The Budget Report dated 7/10/15 was presented for review. The Collection System has received 48% in revenues and is 49% expended; Treatment Plants have received 26% in revenues and are 52% expended; Industrial Pretreatment has received 22% in revenues and is 48% expended; Capital Expansion has received 9% in revenues and is 13% expended; Water Quality Group (JR/FB) has received 73% in revenues and is 47% expended; OU2 Remediation has received 23% in revenues and is 38% expended; Water Quality Group (Utah Lake) has received 67% in revenues and is 4% expended. The budget ratio to calendar months is 52%.

3. DISBURSEMENTS:

Trustees requested review on Zions Bank check numbers 22691, 22716 and 22736. After consideration and some review motion was made by Mr. Mark Preece seconded by Mr. Len Arave to accept the Disbursements as presented. Motion carried with Trustees Heaps, Hansen, Davies, Preece, Arave and Westergard voting "aye".

4. APPROVAL OF SEWER LINE DEEDS:

A. THE VIEWS AT EAGLEWOOD VILLAGE PUD PHASE 3 - PROJECT NO. 2-14.

The Deed for The Views At Eaglewood Village PUD Phase 3, located in North Salt Lake, has been received. The total sewer costs for this development are \$118,144.00.

Motion was made by Mr. Ryan Westergard seconded by Mr. John Davies to accept the Deed for The Views At Eaglewood Village PUD Phase 3. Motion carried with Trustees Heaps, Hansen, Davies, Preece, Arave and Westergard voting "aye".

5. CONSIDER CHANGING BOARD MEETING START TIME:

To accommodate employment schedules and working times for some Board Members it was suggested that the start time for Board Meetings be changed.

Motion was made by Mr. Dee Hansen seconded by Mr. Ryan Westergard to change the Board Meeting start time to 5:00 p.m. Motion carried with Trustees Heaps, Hansen, Davies, Preece, Arave and Westergard voting "aye".

6. AUTHORIZE PUBLIC NOTICE OF FACILITIES PLAN UPDATE:

Utah Code Ann. Sec 17-B-1-106(2)(a) requires district's to provide written notice of its intent to prepare a long range plan. The District is preparing a new Facilities Plan and needs to provide this public notice.

Motion was made by Mr. Len Arave seconded by Mr. Mark Preece to authorize Public Notice of the Facilities Plan Update as appropriate. Motion carried with Trustees Heaps, Hansen, Davies, Preece, Arave and Westergard voting "aye".

7. REVIEW AND AUTHORIZE INDUSTRIAL PRETREATMENT FOG EDUCATIONAL POSTERS AND COLLECTION SYSTEM DOOR HANGERS:

A. FATS/OIL/GREASE EDUCATIONAL POSTERS.

Fats/Oil/Grease (FOG) from food service establishments and commercial kitchens generate a lot of routine cleaning and collection system backups. The two main tools to deal with this issue are grease interceptors and best management practices in the kitchens. Best management practices are particularly difficult to maintain because of frequent staff turnover and language difficulties. We have found a publishing company that specializes in producing brochures and posters for communicating with these establishments. We have reviewed a tri-fold brochure that opens into an 11"x17" poster and adapted it to our specific needs.

B. DOOR HANGERS.

During routine cleaning and inspections we often locate areas that have problems with FOG. Nation-wide and locally we are also experiencing problems with "flushable wipes". These wipes do not break up in the sewer and are a frequent source of backups and problems in our lift stations and the headworks at our treatment plants. Working with this publisher we have developed a door hanger covering this issue in the residential setting that we can leave at residences where there is a problem. Space is also left for a hand written comment if needed.

These documents were reviewed. The number needed and costs were discussed. Mr. Len Arave suggested that his city and most likely the other cities in the District would be willing to include materials from the District in their monthly billing and/or newsletters. This publisher also produces this type of insert. As the discussion progressed it was obvious that we would need to discuss details with each city.

Motion was made by Mr. John Davies seconded by Mr. Dee Hansen to authorize the printing and distribution of the FOG posters and door hangers as discussed at a cost up to \$5,000.00. Motion carried with Trustees Heaps, Hansen, Davies, Preece, Arave and Westergard voting "aye".

8. RESOURCE RECOVERY PROJECT:

A. CONSIDER AGREEMENT TO LEASE PROJECT SITE AND SUPPORT PROJECT.

The District is considering a Resource Recovery project to convert food waste to natural gas for sale to the natural gas network. At last month's Board Meeting the Board decided to support the project at a minimum with a lease of property to ALPRO, the development company that has proposed the project, allowing them to proceed with the project on their own. The District is still considering whether or not to participate in the project.

A lease option and a lease have been prepared by the District's legal counsel, Mr. Mark Anderson. These documents were reviewed in detail. Several minor points were identified for language revision and blanks that needed to be filled in were discussed.

Motion was made by Mr. Dee Hansen seconded by Mr. Howard Burningham to approve the lease option and the lease for the project site to ALPRO subject to staff and legal review regarding the final language. Motion carried with Trustees Heaps, Hansen, Davies, Burningham, Preece and Westergard voting "aye".

B. REVIEW PROJECT FEASIBILITY AND DISTRICT PARTICIPATION.

The proposed project would take food wastes and other organic wastes, digest them in anaerobic digesters and market the resulting biosolids and methane gas. An extensive feasibility study has shown that this can be done economically. Currently in the United States approximately 97% of all food waste is being landfilled. Food waste represents approximately 15% of the landfill volume being consumed. Once landfilled these wastes begin decomposing anyway and contribute significant greenhouse gases as well as operational concerns at the landfill. Landfilling is very expensive, both in tipping fees and in the consumption of valuable landfill capacity. By digesting these wastes and utilizing the resulting products this project would provide a more sustainable way to deal with these wastes. The gas generated by the project would be enough to provide natural gas for approximately 60,000 homes.

This project entails construction of receiving facilities for a number of organic waste products such as FOG, food waste from grocery stores, restaurants, hospitals, schools and other institutions with food service. It would also involve food processing waste such as whey from making cheese and yogurt, soda pop from bottling facilities and others. These organic wastes must then be blended and screened. They would then be digested in anaerobic digesters, which produce methane gas mixed with carbon dioxide, hydrogen sulfide and other minor gases. This gas must then be purified to 96.5% methane to meet specifications for use in the natural gas utility network. The resulting biosolids residue must then be de-watered. It is then utilized as a soil amendment or in production of fertilizer.

The Board has a number of concerns. The first concern is, is it appropriate to be involved in the food waste issue. Although we are already indirectly involved in taking various food processing wastewater discharges and in receiving such wastes as household and institutional food grinders, any broader responsibility for organic waste is not spelled out. The Board is concerned about undertaking a project that would provide a net return to the District. The Board is concerned about the risk of a large and complex undertaking.

This proposed project would cost in excess of \$25 million and would have annual operating costs of approximately \$3.1 million. Annual revenues are conservatively estimated at \$7.7 million. The various risks involved were discussed. Some of the most significant are reliability of organic waste sources, reliability and stability of energy markets, completing engineering and construction on budget, operating the facility within budget and the performance of the various technologies involved.

All of the technologies involved are well established and well understood. Design parameters are well established in the literature, in numerous laboratories and various installations. The District has reviewed information in over 50 full-scale installations that range from smaller than this project to significantly larger and are found throughout the United States. In addition, the vendor that is being proposed for the major process equipment will guarantee the process performance.

The engineering and construction costs would be procured in such a way as to have them guaranteed by the vendor. As discussed above the process would be guaranteed by its vendor. The food waste sources would be secured with contracts before undertaking the project. The gas sales would be secured with long term contracts. The District has a long history in operating and maintaining a process facility which for all practical purposes is the same for that being proposed. The District's sewer rate is the lowest in the State. Our rates are one-fourth the Wasatch Front average. This rate reflects the District's history executing both large capital projects and the operation and maintenance of two treatment plants and 350 miles of collection system that includes 10 lift stations. We feel that for our part we can guarantee accomplishing the operation and maintenance of the facility within budget.

Since the last Board Meeting staff has talked with Centerville City, Bountiful City, West Bountiful, Woods Cross, Wasatch Integrated Waste Management and Davis County Commissioner Millburn.

We are being scheduled to meet with the North Salt Lake City Council and Planning Commission. Thus far these meetings have been on a staff level, except for Mayor Cutler of Centerville and Commissioner Millburn. The general response has been that there is no objection to the District being pro-actively involved in food waste recovery. The general consensus has been that a more environmental friendly and sustainable approach to food waste is very desirable. No one voiced any concern about the risks involved. It was implicit in their comments that the District would be as diligent in planning and executing the project.

There are a number of legal and procurement issues to be solved. These were reviewed by Mr. Anderson.

The Board indicated that staff should continue with due diligence to evaluate the project.

9. DECLARE CERTAIN ITEMS SURPLUS AND AUTHORIZE DISPOSAL METHOD:

A number of items that because of age, condition or changing District needs are no longer needed were reviewed. Some of these items have sufficient value so it is proposed we attempt to sell them through the process of advertising for bids. Historically, the District has attracted only extremely low bids at these surplus auctions. It was proposed that the Kubota lawnmower be advertised on ksl.com at a starting price of \$5,000. It was proposed that the 1993 Chevrolet Hi-Cube van be advertised on ksl.com at a starting price of \$300. It was proposed that the dual-wheel utility box be advertised on ksl.com at a starting price of \$400. The remaining items will be sold by advertising for bids.

Motion was made by Mr. Howard Burningham seconded by Mr. Ryan Westergard to declare the items presented as surplus and dispose of as discussed. Motion carried with Trustees Heaps, Hansen, Davies, Burningham, Preece and Westergard voting "aye".

10. GENERAL MANAGER'S REPORT:

A. DESERET NEWS ARTICLES ON NUTRIENT REMOVAL.

Dr. Lavere Merritt, professor emeritus from BYU, recently wrote a very cogent article on the high cost of nutrient removal. Mr. Walt Baker, Director of the Division of Water Quality, wrote a rebuttal. Our existing system of clean water statues and rules does not do a very good job of weighing the benefits of their impacts versus the environmental costs to the environment as a whole.

11. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 20 August 2015, 5:00 p.m.

12. DISMISSAL:

The meeting ended at 7:20 p.m.


General Manager


Chairman, Board of Trustees