

SOUTH DAVIS SEWER DISTRICT  
BOARD OF TRUSTEES  
REGULAR MEETING & BUDGET HEARING  
19 October 2017

The Board of Trustees of the South Davis Sewer District, Davis and Salt Lake Counties, met in regular session at 3:00 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
John Davies	Trustee
Randy Lewis	Trustee
Mark Preece	Trustee (arrived 5:00 pm)
Len Arave	Trustee
Ryan Westergard	Trustee

Others meeting with the Board:

Dal Wayment	General Manager/Treasurer
Mark Katter	Accounting Manager/Clerk
Susanne Monsen	Administrative Asst/Asst Clerk
Matt Myers	District Engineer
Scott Rogers	Aqua Engineering/ALPRO

1. COMBINED ENGINEERING AND PERSONNEL COMMITTEE MEETING-2018 BUDGET:

The combined Engineering and Personnel Committee meeting was called to order at 3:06 p.m. to review capital budgets as follows:

***ENGINEERING COMMITTEE***

Collection System

Buildings & Facilities	\$	0
Outfall/Sewer Lines	\$	831,000
Operating & Support Equipment	\$	44,000
Mobile Equipment	\$	120,000
TOTAL	\$	995,000

Treatment Plants

Buildings & Facilities	\$	77,000
Operating & Support Equipment	\$	90,000
Mobile Equipment	\$	460,000
Major Equipment & Materials	\$	100,000
Engineering	\$	100,000
TOTAL	\$	1,870,000

Industrial Pretreatment

Operating & Support Equipment	\$	6,000
TOTAL	\$	6,000

Office

Office Furniture & Equipment	\$	57,000
TOTAL	\$	57,000

## ***PERSONNEL COMMITTEE***

- A. Salaries: The Personnel Committee recommends a % marketplace adjustment to the District's salary schedule be determined. The Committee recommends that 4 merit raises (of 26 employees) be authorized with the Board approved salary evaluation guidelines and based on individual employee evaluations.
- B. Health Insurance: Budget for a 5.4% increase in medical insurance. A very expensive insurance benefit is available for autism. This will be declined. Coverage for insurance premium waiver will also be declined.
- C. New Hire: Toward the end of next year we will be looking at new hires for the resource recovery and nutrient removal projects. These projects will require hiring 12 or more new employees. We will identify exact needs and a hiring strategy later in the year and re-open the budget as necessary.
- D. Summer Temporaries: Continue with part-time, hourly help for office, painting, yard work and assisting on the CCTV and Jet Washer crews.
- E. Health & Safety Officer: Continue with in-house Health & Safety Officer and training. This training is supplemented with various outside sources such as the Workers Compensation Fund and the Utah Safety Council. We will use some consulting to update some manuals and programs.
- F. Wasatch Front Water Quality Council: Continue to be a member of and to administer the operations of the Council on behalf of the other Publicly Owned Treatment Works (POTW's) in Davis, Salt Lake and Utah Counties. Funding for the group comes from contributions from its members. Continue with District contribution.
- G. Operating Unit 2 (OU2): Continue to operate and maintain the EPA Superfund site treatment facility on behalf of EPA. Funding for this work comes from an EPA grant.

The Board took a brief recess at 4:45 p.m. for dinner before continuing the Meeting.

### **2. MINUTES:**

The meeting was called to order at 5:10 p.m. at which time the Chairman asked for comments of the regular Board Meeting held 21 September 2017. After consideration motion was made by Mr. Randy Lewis seconded by Mr. Len Arave to accept the Minutes as presented. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

### **3. BUDGET REPORT:**

The Budget Report will be reviewed during a later Agenda item.

### **4. APPROVAL OF DISBURSEMENTS:**

Trustees requested review on Zions Bank check numbers 25970, 26000, 26045, 26050 and 26078. After consideration and some review motion was made by Mr. Howard Burningham seconded by Mr. Ryan Westergard to accept the Disbursements as presented. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

5. APPROVAL OF SEWER LINE EASEMENTS:

A. FOXBORO MARKETPLACE SUBDIVISION - PROJECT NO. 6-16.

The Deed for Foxboro Marketplace Subdivision located in North Salt Lake, has been received. There are no dedicated streets/roads in this development

Motion was made by Mr. Len Arave seconded by Mr. John Davies to accept the Easement for Foxboro Marketplace Subdivision. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

6. APPROVAL OF SEWER LINE DEEDS:

A. FOXBORO MARKETPLACE SUBDIVISION - PROJECT NO. 6-16.

The Deed for Foxboro Marketplace Subdivision located in North Salt Lake, has been received. The total sewer costs for this development are \$125,455.00.

B. THE VILLAS AT BELLA VIDA PHASE 3 PUD - PROJECT NO. 11-16.

The Deed for The Villas At Bella Vida Phase 3 PUD located in North Salt Lake, has been received. The total sewer costs for this development are \$143,549.00.

C. CHITOSE JOHNSON AMENDED SUBDIVISION - PROJECT NO. 6-17.

The Deed for Chitose Johnson Amended Subdivision located in Centerville, has been received. The total sewer costs for this development are \$31,863.00.

D. FOXBORO MARKETPLACE SOUTH SUBDIVISION - PROJECT NO. 7-17.

The Deed for Foxboro Marketplace South Subdivision located in North Salt Lake, has been received. The total sewer costs for this development are \$70,626.00.

Motion was made by Mr. Howard Burningham seconded by Mr. Randy Lewis to accept the Deeds for Foxboro Marketplace Subdivision, The Villas At Bella Vida Phase 3 PUD, Chitose Johnson Amended Subdivision and Foxboro Marketplace South Subdivision. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

7. OPEN BUDGET HEARING:

Motion was made by Mr. Howard Burningham seconded by Mr. John Davies to open the Budget Hearing. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

8. ENGINEERING COMMITTEE RECOMMENDATIONS:

The Engineering Committee reviewed the items outlined on the Capital Budget. Final approval will be included with the adoption of the Tentative Budget for 2018.

9. PERSONNEL COMMITTEE RECOMMENDATIONS:

The Personnel Committee recommended a salary schedule adjustment of 2.5% to remain competitive with salaries being paid in the wastewater treatment industry along the Wasatch Front. The need to begin hiring personnel to staff the Resource Recovery and Nutrient Removal projects was discussed. It is proposed that budget be provided for three new positions. Management is recommending four merit raises.

The history and evolution of the District's compensation structure was reviewed and discussed. Mr. Arave suggested that it might be time for a fundamental review of the District's compensation program. It was proposed that within the next 6-7 months this review be undertaken and that it should include one or more Board Members.

After consideration motion was made by Mr. Randy Lewis seconded by Mr. Howard Burningham to adopt the Personnel portion of the proposed Budget for 2018 as presented and reviewed. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

10. REVIEW AND ADOPT TENTATIVE BUDGET FOR 2018:

The proposed Tentative 2018 Budget was submitted for acceptance. After review and discussion motion was made by Mr. Len Arave seconded by Mr. Mark Preece to accept the proposed Tentative 2018 Budget as presented. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

11. CONSIDER RESOLUTION NO. 107-17 (3RD AMENDMENT) - ANNUAL BUDGET:

The 2017 Budget was opened. Several items were adjusted to reflect actual experience to date and to balance the overall Budget. The Budget was opened primarily to make certain line item adjustments. After review and discussion motion was made by Mr. Ryan Westergard seconded by Mr. John Davies to amend the 2017 Budget through Resolution No. 107-17 (3rd Amendment). Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

12. SET BUDGET HEARING (12/7/17):

Motion was made by Mr. Mark Preece seconded by Mr. Ryan Westergard to authorize the Budget Hearing to commence on 7 December 2017, at 5:00 p.m. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

13. CLOSE BUDGET HEARING:

Motion was made by Mr. Ryan Westergard seconded by Mr. Howard Burningham to close the Budget Hearing. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

14. APPOINT AUDITOR - 2017 BUDGET:

Staff recommended retaining Karren, Hendrix, Stagg, Allen Company to perform the 2017 Audit. After some discussion motion was made by Mr. Howard Burningham seconded by Mr. Mark Preece to appoint Karren, Hendrix, Stagg, Allen Company to perform the 2017 audit. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

15. NUTRIENT REMOVAL PROJECT:

A. PROGRESS REPORT.

The stock culture fence portion of the Nutrient Removal project is nearly complete. Plant personnel performing this work are doing an excellent job. This facility will be on-line and producing algae by the first week of November. Good progress is being made on the design, budget and cost estimate for the project. Significant progress has been made evaluating and pilot testing equipment for the project such as dewatering equipment. The District will be providing tours of the facility for the Algae Biomass Summit, which is a national conference.

B. CONSIDER PROGRESS PAYMENT.

Staff has been working with Clearas and Alder Construction to identify cash flow needs for the remainder of the year. To keep the project on schedule it is necessary to fund items with long lead times. The following items were considered:

<u>Vendor</u>	<u>Purpose</u>	<u>Amount</u>
Schott	Glass pipe for the photobioreactor	\$ 600,000
Reliance	LED lighting for the photobioreactor	\$ 75,000
Barnes	Couplings to join the glass pipe sections	\$ 75,000
SKM	Design/programming of electrical and SCADA systems	\$ 25,000
Suez (fka GE)	Membrane filters	\$ 50,000
Miscellaneous	SCADA system, instruments, pneumatic control system	\$ 75,000
Skyline	MCC components & transformer	\$ 67,000
Alder	750,000 gal mix tank	\$ 380,000
Permit Fees	North Salt Lake	\$ 10,000
Aqua	Engineering	\$ 300,000
Clearas	Design, submittals, on-site assistance	\$ 150,000
Bond Issuance Costs	Loan origination fee, legal, administrative	\$ 289,000
TOTAL		\$2,096,000

Motion was made by Mr. Len Arave seconded by Mr. Randy Lewis to approve the progress payment as presented. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

16. RESOURCE RECOVERY PROJECT:

A. PROGRESS REPORT.


Construction of the Resource Recovery Project continues to progress well. Construction quality is outstanding. We are starting to see the construction go vertical. Two bolted steel tanks have been completed. The project is on schedule and within budget.


17. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 16 November 2017, 5:00 p.m.

18. DISMISSAL:

The meeting ended at 7:15 p.m.

  
 Chairman, Board of Trustees

  
 Clerk