

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING AND PUBLIC HEARING
16 March 2017

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
John Davies	Trustee
Randy Lewis	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 Asst/Asst Clerk
Matt Myers	Engineer
Rachel Anderson	Attorney/Fabian VanCott
Craig Smith	Attorney/Smith Hartvigsen
Scott Rogers	Aqua Engineering/ALPRO
Bruce Alder	Alder Construction/ALPRO
Eric Alder	Alder Construction/ALPRO
Glen Perry	Alder Construction/ALPRO
Isaac Hinckley	Alder Construction/ALPRO
Morgan Bowerman	Momentum Recycling
Jim Burr	Chapman & Cutler
Preston Kirk	George K. Baum & Company
Jordan Lind	Clearas Water Recovery
Kim Coleman	District Resident

1. MINUTES:

The meeting was called to order at 5:04 p.m. at which time the Chairman asked for comments of the regular Board Meeting held 16 February 2017. After consideration motion was made by Mr. John Davies seconded by Mr. Randy Lewis to accept the Minutes as presented. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

2. BUDGET REPORT:

The Budget Report dated 3/9/17 was presented for review. The Collection System has received 50% in revenues and is 22% expended; Treatment Plants have received 24% in revenues and are 21% expended; Industrial Pretreatment has received 5% in revenues and is 15% expended; Capital Expansion has received 6% in revenues and is 1% expended; Water Quality Group (JR/FB) has received 66% in revenues and is 8% expended; OU2 Remediation has received 0% in revenues and is 8% expended; and Water Quality Group (Utah Lake) has received 25% in revenues and is 22% expended. The budget ratio to calendar months is 18%.

3. APPROVAL OF DISBURSEMENTS:

Trustees requested review on Zions Bank check numbers 25092, 25100, 25121, 25147 and 25154. 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".

4. APPROVAL OF SEWER LINE CONSTRUCTION AGREEMENTS:

A. CARRINGTON PLACE PHASE II (APTS) - PROJECT NO. 2-17.

Mr. Wayment recommended the Agreement for Carrington Place Phase II (Apartments), located at 990 North 500 West in Bountiful, known as Project No. 2-17, be accepted.

B. I-215 PARKWAY COMMERCIAL CONDOMINIUM - PROJECT NO. 3-17.

Mr. Wayment recommended the Agreement for I-215 Parkway Commercial Condominium, located at 245 South River Bend Way in North Salt Lake, known as Project No. 3-17, be accepted.

Motion was made by Mr. Randy Lewis seconded by Mr. Mark Preece to authorize the Chairman to sign the agreements for Carrington Place Phase II and I-215 Parkway Commercial Condominium. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

5. CONSIDER RESOLUTION NO. 162 APPROVING THE JOINT OWNERSHIP AGREEMENT, OPERATING AGREEMENT, GROUND LEASE, LIMITED LIABILITY COMPANY AGREEMENT AND EPC AGREEMENT FOR THE RESOURCE RECOVERY PROJECT:

The Joint Ownership, Operating, Ground Lease and Engineering, Procure and Construction (EPC) Agreements have been presented to the Board on previous occasions. Board concerns and comments have been incorporated into the documents. The documents have had extensive review and revision by the District's general counsel, by our bond counsel, financial advisor and representatives of the underwriter.

The Limited Liability Company (LLC) Agreement organizes the LLC through which the District and its private partner, ALPRO, will own and operate the Resource Recovery Project. This document was reviewed with the Board and has been reviewed by the same team of attorney's and advisors.

Motion was made by Mr. Randy Lewis seconded by Mr. John Davies to approve the Joint Ownership Agreement, Operating Agreement, Ground Lease, Limited Liability Company Agreement and EPC Agreement for the Resource Recovery Project through Resolution No. 162. Representatives to the Project Management Committee shall be Len Arave, John Davies and Ryan Westergard. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

6. OPEN PUBLIC HEARING:

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

7. CONSIDER RESOLUTION ACCEPTING THE AUTHORIZATION LETTER FROM THE UTAH WATER QUALITY BOARD AND ITS TERMS AND CONDITIONS FOR THE FINANCING OF THE NUTRIENT RECOVERY PROJECT AND RATIFYING THE NOTICE OF BONDS TO BE ISSUED FOR THE NUTRIENT RECOVERY PROJECT:

A. PRESENTATION.

The District made application to the Utah Water Quality Board for a State Revolving Loan Fund loan to finance the nutrient recovery project. This request was considered at two meeting of the Water Quality Board and was approved. The letter from the Water Quality Board authorizing the grant was reviewed. In particular the requirement that the District is obligated to take whatever steps are necessary to meet South Plant UPDES Permit requirements should this project not meet expectations. The options the District would have in dealing with such situations were reviewed.

B. PUBLIC COMMENTS.

Mr. Kim Coleman expressed his appreciation for the time and effort involved in pursuing both this project and the resource recovery project. As a resident of the District and CFO/Controller of the Granger-Hunter Improvement District, he felt the programs would be a great benefit to the District and congratulated the Board for proceeding forward.

Motion was made by Mr. Len Arave seconded by Mr. Howard Burningham to accept the authorization letter from the Utah Water Quality Board and its terms and conditions for the financing of the nutrient recovery project and ratifying the notice of bonds to be issued for the nutrient recovery project. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

8. CLOSE PUBLIC HEARING:

Motion was made by Mr. Randy Lewis seconded by Mr. Mark Preece to close the public hearing. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

9. CONSIDER RESOLUTION NO. 161 APPROVING AN UPDATED NOTICE OF BONDS TO BE ISSUED FOR THE ALPRO PORTION OF THE RESOURCE RECOVERY PROJECT:

Motion was made by Mr. Len Arave seconded by Mr. Howard Burningham to approve an updated Notice of Bonds To Be Issued for the ALPRO portion of the Resource Recovery Project. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

10. CONSIDER RESOLUTION SELECTING AQUA ENGINEERING PROPOSAL FOR DESIGN SERVICES FOR THE NUTRIENT RECOVERY PROJECT:

The Engineering Committee (John Davies, Randy Lewis, Len Arave and Dee Hansen/advisor) met prior to the regular Board Meeting at 4:30 p.m. to review the Request for Proposals (RFQ) for the Nutrient Recovery Project.

The Engineering Committee recommended the selection of Aqua Engineering for the Nutrient Recovery Project.

Motion was made by Mr. John Davies seconded by Mr. Len Arave to select Aqua Engineering for design services for the Nutrient Recovery Project. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

11. CONSIDER RESOLUTION AUTHORIZING A REQUEST FOR PROPOSALS FOR PROVIDING CONSTRUCTION MANAGEMENT/GENERAL CONTRACTOR SERVICES FOR THE CONSTRUCTION OF THE NUTRIENT RECOVERY PROJECT:

Construction Manager/General Contractor (CMGC) is a method for procuring design and construction services that allows the District greater flexibility and control of the design and construction of facilities. This approach has been successfully used at North Davis Sewer District and Central Weber Sewer District on large complex projects. The Utah Department of Transportation (UDOT) has been using this approach extensively and is a national leader in this procurement approach. In this method the owner procures engineering services based on qualifications. The owner then procures construction services based on qualifications, overhead and unit construction costs. After selecting the contractor based on qualifications the construction costs and methods are negotiated. Very useful guidance developed by UDOT has been reviewed and would be followed.

Motion was made by Mr. Ryan Westergard seconded by Mr. Mark Preece to authorize a request for proposals for providing construction management/general contractor services for the construction of the nutrient recovery project. Motion carried with Trustees Hansen, Burningham, Davies, Lewis, Preece, Arave and Westergard voting "aye".

12. GENERAL MANAGER'S REPORT:

A. BABY BOOMER SENIOR LIVING, LLC (HINCKLEY FARM).

This developer is proposing to annex approximately 122 acres west of the Jordan River to North Salt Lake. In the recent past various developers and property owners have approached the District to provide sewer service to this area. The District's South Plant is much closer to this property than the Salt Lake City Redwood Road plant. Depending on the density of development of this area and the possibility of additional property being annexed this would provide an interesting challenge for financing and providing additional capacity at the South Plant.

B. WASATCH INTEGRATED WASTE MANAGEMENT.

Discussions with Wasatch Integrated Waste Management indicate that they may shut down their solid waste incinerator. This would likely reinforce their desire to divert food waste from the landfill to the Resource Recovery Project.

C. RETIREMENT ANNOUNCEMENT - DIRECTOR OF THE UTAH DIVISION OF WATER QUALITY.

Mr. Walter Baker, Director of the Utah Division of Water Quality, has announced he will be retiring mid-May of this year. The new director would have a lasting impact on Publicly Owned Treatment Works (POTW) operations. This selection process will be watched with great interest and hopefully the regulated community will have opportunity for participation.

D. CLEARAS WATER RECOVERY.

Engineers from Clearas Water Recovery spent the day Tuesday with staff at Aqua Engineering working on operational and engineering details of the Nutrient Recovery Project. Brain storming during this activity produced some significant improvements in the project site plan. These changes should also reduce costs.

E. SCHEDULE SPECIAL BOARD MEETING.

An additional Board Meeting has been scheduled for 4:00 p.m. on Tuesday, March 28th.

13. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Tuesday, 28 March 2017, 4:00 p.m.

14. DISMISSAL:

The meeting ended at 7:17 p.m.


Chairman, Board of Trustees


Assistant Clerk