SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
15 October 2026

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:

Howard Burningham	Chair
Ryan Westergard	Vice-Chair
Len Arave	Trustee (via Zoom)
Gina Hirst	Trustee (via Zoom)
Brian Horrocks	Trustee
Ken Romney	Trustee

Excused:

Matt Murri	Trustee

Others meeting with the Board:

Matt Myers	General Manager/Treasurer
Lanese Hendrickson	Asst General Manager
Susanne Monsen	Asst Gen Manager/Asst Clerk
Candice Venn	Acting Accountant/Clerk
Ryan Bjerke	Chapman and Cutler
Brad Rasmussen	Aqua Engineering
Edgar Teran	Aqua Engineering
Jenna Carvalho	Aqua Engineering
Gary Davis	Resident, Bountiful

1. OPEN MEETING:

The Chair called the meeting to order at 5:01 p.m.

2. PUBLIC COMMENTS:

None

3. APPROVAL OF MINUTES:

The Chair asked for comments of the regular Board Meeting held 17 September 2026. After consideration motion was made by Brian Horrocks seconded by Ryan Westergard to accept the Minutes as presented. Motion carried with Trustees Burningham, Westergard, Arave, Hirst, Horrocks and Romney voting "aye".

4. BUDGET REPORT:

The unaudited Budget Report ending September/2026 was presented for review. The combined Revenue Budget has received 80% in revenues. The Collection System is 66% expended; Treatment Plants are 57% expended; Industrial Pretreatment is 62% expended; Capital Expansion is 44% expended; Water Quality Group (JR/FB) is 48% expended; OU2 Remediation is 57% expended; Water Quality Group (UT LK) is 44% expended; and General & Admin is 66% expended. The budget ratio to calendar months is 75%.

5. INVESTMENT REPORT:

Current investments (September/2026) are maintained by Zions Bank, Public Treasurers Investment Fund (PTIF) and Meeder Investment Management. Zions Trust held approximately $14.9 million at an interest rate of 4.0300% (funds are with PTIF); PTIF held approximately $23.9 million at an interest rate of 4.0300%; and Meeder held approximately $2.1 million at an interest rate of 4.0051%.

6. APPROVAL OF DISBURSEMENTS:

Trustees reviewed Zions Bank check numbers 37988, 37999, 38027, 38028 and 38038. After further consideration motion was made by Ryan Westergard seconded by Brian Horrocks to accept the Disbursements as presented. Motion carried unanimously with Trustees Burningham, Westergard, Arave, Hirst, Horrocks and Romney voting "aye".

7. CONSIDERATION OF RESOLUTION NO. 187 PROVIDING FOR THE ISSUANCE OF NOT MORE THAN $25,000,000 OF COMBINED UTILITY SYSTEM REVENUE BONDS AND PROVIDING FOR RELATED MATTERS:

This Resolution provides for the issuance of not more than $25 million in combined utility system revenue bonds, fixing the maximum aggregate principal amount of such bonds, the maximum number of years of which bonds may mature, the maximum interest rates that the bonds may bear and the maximum discount from par at which the bonds may be sold, and provides for the holding of a public hearing and notice of bonds to be issued.

After further discussion motion was made by Ken Romney seconded by Len Arave to adopt Resolution No. 187 as presented. Motion carried unanimously via a roll call with Trustee Burningham, Westergard, Arave, Hirst, Horrocks and Romney voting "aye".

8, APPOINT AUDITOR - 2026 AUDIT:

Staff recommended retaining the auditing firm of Squire & Company PC to perform the 2026 Audit. After some discussion motion was made by Ryan Westergard seconded by Brian Horrocks to appoint Squire & Company, PC, to perform the 2026 Audit. Motion carried unanimously with Trustees Burningham, Westergard, Arave, Hirst, Horrocks and Romney voting "aye".

9. NORTH PLANT REHABILITATION AND NUTRIENT REMOVAL PROJECT - AQUA ENGINEERING REPORT:

Edgar Teran with Aqua Engineering presented an updated progress report of the North Plant upgrade project. By schedule, 51% of the project has been completed to date (27 of 55 months has elapsed). By cost, 68% or $60.1 million has been expended. The contractor, Alder Construction, anticipates the project will be completed approximately one year ahead of schedule.

10. WASATCH RESOURCE RECOVER (WRR) PR0JECT - REPORT:

An updated report on the WRR facility was presented by Matt Myers. As reviewed in Disbursements, the District has made a progress payment towards the hydrolysis tank. The material in the biofilter bed has been cleaned out and placement of the EcoBloc will begin next week. Mulch purchased from the Bountiful City Landfill will then be placed. The project should be completed in the next three weeks.

Two new managers have now been assigned to WRR, John Wells and Andy Dvoracek . This week Opal Fuels has made employment offers to the three WRR operators currently employed by the District.

11. FINANCIAL MODEL - DISCUSSION:

As a backup and quality assurance check to the District's current financial model, financial statements and the draft tentative budget were submitted to Waterworth for inclusion in their model to ensure our forecast is as accurate as possible. The models show very similar results. Matt reviewed the current proposals for the 2027 budget year. We are proposing a 9.24% tax increase, raising the excess water rate from $1.60/1,000 gallons to $2.25/1,000 gallons and increasing the monthly sewer service fee from $27.00/month to $29.00/month.

12. CONSIDER ENGINEERING COMMITTEE RECOMMENDATIONS FOR THE PROPOSED 2027 TENTATIVE BUDGET:

The Engineering Committee (Gina Hirst/Chair, Brian Horrocks, Ken Romney) met as scheduled at 11:30 a.m. on Tuesday, 9/22/26.

After consideration motion was made by Brian Horrocks seconded by Ryan Westergard to adopt the Engineering portion of the proposed Budget for 2027 as presented and reviewed. Motion carried unanimously with Trustees Burningham, Westergard, Arave, Hirst, Horrocks and Romney voting "aye".

13. CONSIDER PERSONNEL COMMITTEE RECOMMENDATIONS FOR THE PROPOSED 2027 TENTATIVE BUDGET:

The Personnel Committee (Ryan Westergard/Chair, Len Arave, Matt Murri) met as scheduled at 12:00 p.m. on Tuesday, 9/29/26.

After consideration motion was made by Ken Romney seconded by Len Arave to adopt the Personnel portion of the proposed Budget for 2027 as presented and reviewed. Motion carried unanimously with Trustees Burningham, Westergard, Arave, Hirst, Horrocks and Romney voting "aye".

14. REVIEW AND ADOPT TENTATIVE BUDGET FOR 2027:

Matt Myers reviewed in detail the Draft Tentative Budget materials submitted to the Board in their packets. There were minor changes, such as removing the arbitrage payment from the 2027 budget as it will likely be happening this year.

After consideration motion was made by Brian Horrocks seconded by Ryan Westergard to adopt the Tentative 2027 Budget as presented and reviewed. Motion carried unanimously with Trustees Burningham, Westergard, Arave, Hirst, Horrocks and Romney voting "aye".

15. SET PUBLIC HEARING TO ADOPT 2027 BUDGET (12/3/26):

Two Public Hearings will be held at the December meeting; 1) Truth In Taxation hearing to increase taxes, and 2) adopt the 2027 Budget. With the new requirements this year, we cannot conduct routine business at this meeting. Since the outcome of the Truth in Taxation hearing will affect the proposed 2027 Budget, it was recommended this Public Hearing be held first at 6:00 p.m. and the Public Hearing to adopt the 2027 Budget be held second.

Motion was made by Ken Romney seconded by Len Arave to authorize the Truth in Taxation Public Hearing be held at 6:00 p.m. and the Public Hearing to adopt the final 2027 Budget at 6:30 p.m. or upon completion of the Truth and Taxation Hearing on 3 December 2026. Motion carried unanimously with Trustees Burningham, Burningham, Arave, Hirst, Horrocks and Romney voting "aye".

16. GENERAL MANAGER'S REPORT:

A. BIOSOLIDS LAND APPLICATION.

Central Valley Water Reclamation Facility (CVWRF) has been looking for an alternative site for biosolids land application. The District is also looking at future backup options as well. 55,000 acres of dry range may be available in Skull Valley for this purpose. District staff visited this site and met with the owner to discuss this possibility.

B. NORTH PLANT AMMONIA EXCEEDANCES.

Due to equipment problems several ammonia exceedances have been experienced in September and October which will result in fines from the Division of Water Quality. Fines will likely be handled under an extension of the settlement agreement and stipulated compliance order terms previously determined. Until construction is completed and operational, these exceedances will likely continue whenever minor disruptions are experienced in the treatment process.

C. DISCHARGE PERMIT RENEWALS.

The discharge permit renewals for both plants will begin effective 12/8/26. We have reviewed the proposed limits. Staff plans to negotiate regarding some of the parameters.

17. NEXT MEETING SCHEDULED:

The next meeting has been scheduled for Thursday, 19 November 2026, 5:00 p.m.

18. DISMISSAL:

The Chair declared the meeting adjourned at 7:01 p.m.

Chair, Board of Trustees

Clerk