

**SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
19 June 2025**

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
Mark Preece	Vice-Chair
Len Arave	Trustee
Gina Hirst	Trustee
Brian Horrocks	Trustee
Kendalyn Harris	Trustee

Excused:

Ryan Westergard	Trustee
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Others meeting with the Board:

Matt Myers	General Manager/Treasurer
Mark Katter	Accounting Manager/Clerk
Lanese Hendrickson	Assistant General Manager
Susanne Monsen	Administrative Asst/Asst Clerk
Candice Venn	Assistant Accounting Mgr
Ron Mortensen	Resident, Bountiful

1. OPEN MEETING:

After a brief demonstration of the District's new CCTV equipment the Chair called the meeting to order at 5:24 p.m.

2. PUBLIC COMMENTS:

None

3. APPROVAL OF MINUTES:

The Chair asked for comments of the regular Board Meeting held 15 May 2025. After consideration motion was made by Kendalyn Harris seconded by Brian Horrocks to accept the Minutes as presented. Motion carried with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

4. BUDGET REPORT:

A. SOUTH DAVIS SEWER DISTRICT.

The Budget Report ending May/2025 was presented for review. The combined Revenue Budget has received 43% in revenues. The Collection System is 37% expended; Treatment Plants are 34% expended; Industrial Pretreatment is 34% expended; Capital Expansion is 16% expended; Water Quality Group (JR/FB) is 18% expended; OU2 Remediation is 27% expended; Water Quality Group (UT LK) is 23% expended; and General & Admin is 33% expended. The budget ratio to calendar months is 41%.

B. WASATCH RESOURCE RECOVERY.

The Budget Report ending May/2025 was presented for review. The Revenue Budget has received 14% in Revenues and is 28% expended. The budget ratio to calendar months is 41%.

C. FIRST OPAL INVOICE.

Matt Myers reviewed the first invoice submitted to Opal Fuels for reimbursement of District expenses for the month of April and explained the process agreed upon by both parties. Invoices will be submitted to Opal on a monthly basis.

D. WRR BUDGET REPORT - DISCUSS CONTINUATION OF MONTHLY REPORTS.

Staff reported that Opal will begin taking on more Wasatch Resource Recovery (WRR) accounting functions, reducing the number of expenses paid directly by the District and making the District's WRR budget report less relevant. The Board didn't feel it was necessary to review monthly budget reports moving forward as long as WRR continues to pay its bills.

5. INVESTMENT REPORT:

Current investments (May/2025) are maintained by Zions Bank, Public Treasurers Investment Fund (PTIF) and Moreton Asset Management. Zions Trust held approximately \$18.4 million at an interest rate of 4.4721% (funds are with PTIF); PTIF held approximately \$11.4 million at an interest rate of 4.4721%; and Moreton held approximately \$2.0 million at an interest rate of 4.1129%.

A. ADDITIONAL INVESTMENT WITH MORETON.

Staff met with Moreton to review the District's current investment portfolio and compare the 5-Year Treasury Ladder (which tends to align with less volatile, longer-term investment securities like Moreton) with the Public Treasurers' Investment Fund (PTIF). While PTIF has outperformed Moreton over the past 2.5 years, the two are beginning to converge and Moreton expects the trend to shift in their favor. PTIF offers greater liquidity, while Moreton requires more notice and may involve penalties. The Board felt no changes were needed to the current investment strategy.

6. APPROVAL OF DISBURSEMENTS:

Trustees reviewed Zions Bank check numbers 36296, 36297, 36338 and 36351. After further consideration motion was made by Gina Hirst seconded by Mark Preece to accept the Disbursements as presented. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

7. APPROVAL OF SEWER LINE EASEMENTS:

A. MAVERIK LINE EXTENSION.

This Easement contains a sanitary sewer main line located on the west side of the property owned by High Rustler LLC and not located in the dedicated street (Redwood Road). This sanitary sewer line would serve the property located at 95 North 700 West in North Salt Lake. Management recommended this Easement be accepted by the District.

Motion was made by Kendalyn Harris seconded by Gina Hirst to accept the Easement as discussed. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

8. APPROVAL OF SEWER LINE DEEDS:

A. THE HIVE PUD - PROJECT NO. 1-21.

The Deed for The Hive PUD, located at 555 North 400 West in Centerville, has been received. The total sewer costs for this development are \$234,387.00

B. SILVER SKY LLC PUD - PROJECT NO. 4-22.

The Deed for Silver Sky LLC PUD, located at 212 N Main Street in North Salt Lake, has been received. The total sewer costs for this development are \$49,400.00.

C. 4TH & MAIN - PROJECT NO. 3-24.

The Deed for 4th & Main, located at 400 South Main Street in Bountiful, has been received. The total sewer costs for this development are \$83,565.00.

Motion was made by Len Arave seconded by Gina Hirst to accept the Deeds for The Hive PUD, Silver Sky LLC PUD and 4th & Main. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

9. ELECTION - DECLARATION OF CANDIDACY RESULTS:

The following individuals have filed a Declaration of Candidacy form and completed the required documents; Leonard Arave, Howard Burningham, and Alex Densley.

10. CONSIDER ADOPTION OF RESOLUTION NO. 168-2025 - ELECTION:

Davis County will be conducting the election for the District in November. Two items are required of the District; 1) an Interlocal Cooperation Agreement for Special District Election Services, and 2) Adoption of Resolution No. 168-2025 approving the Interlocal Cooperation Agreement.

Motion was made by Kendalyn Harris seconded by Brian Horrocks to approve the Interlocal Cooperation Agreement for Special District Election Services and adoption of Resolution No. 168-2025 as presented. Motion carried unanimously via a roll call vote with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

11. SCHEDULE MEETING TO CANVASS ELECTION BALLOTS:

The Board is required to canvass the election ballots no sooner than seven days after the election and no later than 14 days after the November election. This time frame will meet the Board Meeting scheduled for November 13th.

12. CONSIDER ADOPTION OF RESOLUTION NO. 113-25 - CERTIFIED TAX RATE:

The County Assessor's Office has calculated and forwarded the documentation for the District's certified tax rate for this budget year. Based on their assessed valuation the certified tax rate for 2025 will be .000451 and generate revenues in the amount of \$6,361,203.00.

Motion was made by Kendalyn Harris seconded by Brian Horrocks to adopt the Certified Tax Rate of .000451 through Resolution No. 113-25. Motion carried unanimously via a roll call vote with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

13. 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) - REVIEW AND APPROVE:

A final review of the draft 2024 Annual Comprehensive Financial Report (ACFR) has been completed and approved by the District's auditing firm, Squire & Co LP, as part of the annual Audit.

A. REVIEW RESERVES POLICY.

The Board reviewed the current reserves policy which is outlined in the ACFR. No changes are necessary at this time.

Motion was made by Len Arave seconded by Mark Preece to approve the Annual Comprehensive Financial Report for 2024. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

14. DECLARE SURPLUS PROPERTY:

The Board reviewed a listing of miscellaneous items no longer needed or used by the District. We would like to put these items out to bid through the Public Surplus website. These items include three Homa Pumps and one Hyster Forklift, both located at the North Plant.

Motion was made by Gina Hirst seconded by Kendalyn Harris to declare the items presented as surplus. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

15. CONSIDER SELECTION AND PRICE NEGOTIATION FOR CONSOLIDATION STUDY (AWARD CONTRACT IN JULY):

Vendor Qualifications were received from AE2S, Carollo, Jacobs and J-U-B, and independently reviewed and scored by three staff members (Lanese Hendrickson, Jacob Scott and Jonathan Weimer) and one Board Member (Gina Hirst). Scores were very close, reflecting the high quality of all submissions. Given the long-term impact of the study in informing future decisions and effectively

allocating resources, Gina Hirst emphasized the importance of selecting a vendor that is a good long-term fit. Staff recommended beginning negotiations with Jacobs, the highest scorer. A proposed scope and cost will be presented at a future meeting for the Board's consideration. The Board felt the contract should be awarded based on time and materials rather than a lump sum.

16. NORTH PLANT REHABILITATION AND NUTRIENT REMOVAL PROJECT - REPORT:

Staff reviewed Procore, the software used by Alder Construction to track progress on the North Plant Upgrade Project. It has been an effective tool for sharing up-to-date information, including conformed drawings, requests for information, submittals and construction photos.

The project continues to progress, with design drawings now coming to life in the form of completed structures. Trickling filter arms will be replaced one at a time beginning next week, with each replacement expected to take about two days. The State has been notified, and while downtime poses some risk, staff is cautiously optimistic there will be no permit violations related to ammonia from this critical work.

17. WASATCH RESOURCE RECOVERY (WRR) PROJECT - REPORT:

The first Project Management Committee with the new WRR board was held on 6/18/25. In accordance with the terms of the sale Opal will have four members and the District will have three members (Len Arave, Brian Horrocks and Ryan Westergard). Mark Comora, founder and president of Fortistar, will serve as chair of the Committee. This first meeting, also attended by Matt Myers, focused on high-level priorities and the path forward. The District has a high confidence level in Opal. The next meeting has been scheduled for August, with the goal of having WRR's accounting software fully transitioned by that time, ending the District's role in processing WRR payables. We will still track payroll and benefits until their software is fully integrated.

A. SOLID WASTE INFRASTRUCTURE FOR RECYCLING (SWIFR) GRANT ELIGIBILITY.

The District has been notified that we qualify for a SWIFR grant which, if approved, we would use to offset WRR wages and benefits. A final decision on the award is expected by the end of the year.

18. GENERAL MANAGER'S REPORT:

A. AUMSVILLE APPROVES A NEARLY \$36 PER MONTH INCREASE ON UTILITY BILLS FOR WASTEWATER PLANT.

The Aumsville, Oregon City Council recently approved a \$36 monthly utility rate increase to fund construction of a new wastewater treatment plant, replacing the current one that fails to meet ammonia limits set by the Oregon DEQ. Aumsville is similar in size to West Bountiful. This story was presented as another indicator of how regulatory pressures can have severe cost implications for sewer service in many communities.

B. THE GREAT SALT LAKE IS DRYING; CAN UTAH SAVE IT?

A recent article from the New York Times again highlighted concerns over the future of the Great Salt Lake. These concerns are relevant to the District as they will likely form part of the foundation for future water/environmental policy and lawmaking.

C. NATIONAL WASTEWATER SCORE CARD.

The American Society of Civil Engineers (ASCE) 2025 infrastructure report card gives wastewater infrastructure a D+ grade. The last report card (2021) also gave wastewater a D+. ASCE regularly assesses infrastructure and indicates a letter grade for each assessment category. This is relevant as these assessments are used to justify regulation pushing for heavier investment in infrastructure, like the story from Aumsville.

D. NACWA - COST OF CLEAN WATER INDEX.

The National Association of Clean Water Agencies (NACWA) regularly updates its Cost of Clean Water Index based on member surveys. Average annual service charges have risen faster than the Consumer Price Index (CPI) and are expected to continue increasing at that accelerated pace.

E. DATA PRIVACY PROGRAM

Lanese Hendrickson and Candice Venn recently attended the Utah Data Governance Summit, which focused on Utah's Government Data Privacy Act. Under this act, the District is required to implement a privacy program by the end of 2025 and will do so using templates provided by the Utah Office of Data Privacy.

19. DISCUSS BIOSOLIDS PAST, PRESENT AND FUTURE OPTIONS:

Wastewater treatment plants along the Wasatch Front are pursuing a joint biosolids disposal site to meet long-term disposal needs. Central Valley Water Reclamation Facility (CVWRF), facing the possible loss of its current land application site in the next few years and likely unable to use a backup site is leading the effort. A federal lobbyist is working with stakeholders to secure support and access to state and federal lands through purchases, swaps or long-term leases. Although the initiative faces significant challenges, there is broad support from Wasatch Front Wastewater entities for the concept.

The District is currently applying biosolids on the Gillmor property west of Salt Lake International Airport under a 2025-26 contract. While this site remains available, nearby development is beginning to encroach, and the District shouldn't consider this a permanent solution.

20. APPROVAL TO CLOSE MEETING TO DISCUSS PURCHASE OF REAL PROPERTY:

Motion was made by Gina Hirst seconded by Brian Horrocks to go into closed session with no intent to return to the Public Meeting. Motion carried unanimously via a roll call vote with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

The Chair declared the meeting closed at 7:26 p.m.

Motion was made by Brian Horrocks seconded by Mark Preece to close the meeting. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Harris voting "aye".

21. NEXT MEETING SCHEDULED:

The next regular meeting has been scheduled for Thursday, 17 July 2025, 5:00 p.m.

22. DISMISSAL:

The Chair declared the meeting adjourned at 7:53 p.m.


Chair, Board of Trustees


Clerk