

SOUTH DAVIS SEWER DISTRICT
BOARD OF TRUSTEES
REGULAR MEETING
20 February 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 (exc. 6:35 pm)
Brian Horrocks	Trustee
Kendalyn Harris	Trustee (arr. 5:10 pm)
Ryan Westergard	Trustee

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
Jacob Scott	Resident, Centerville
Gary Davis	Resident, Bountiful

1. OPEN MEETING:

The Chair called the meeting to order at 5:00 p.m.

2. PUBLIC COMMENTS:

None

3. APPROVAL OF MINUTES:

The Chair asked for comments of the regular Board Meeting held 16 January 2025. After consideration motion was made by Ryan Westergard seconded by Len Arave to accept the Minutes as presented. Motion carried with Trustees Burningham, Arave, Hirst, Preece, Horrocks and Westergard voting "aye".

4. BUDGET REPORT:

A. SOUTH DAVIS SEWER DISTRICT.

The Budget Report ending January/2025 was presented for review. The combined Revenue Budget has received 36% in revenues. The Collection System is 13% expended; Treatment Plants are 9% expended; Industrial Pretreatment is 10% expended; Capital Expansion is 6% expended; Water Quality Group (JR/FB) is 1% expended; OU2 Remediation is 5% expended; Water Quality Group (UT LK) is 3% expended; and General & Admin is 14% expended. The budget ratio to calendar months is 8%.

B. WASATCH RESOURCE RECOVERY.

The Budget Report ending January/2025 was presented for review. The Revenue Budget has received 3% in Revenues and is 7% expended. The budget ratio to calendar months is 8%.

5. INVESTMENT REPORT:

Current investments (January/2025) are maintained by Zions Bank, Public Treasurers Investment Fund (PTIF) and Moreton Asset Management. Zions Trust held approximately \$26.0 million at an interest rate of 4.5451% (funds are with PTIF); PTIF held approximately \$10.9 million at an interest rate of 4.5451%; and Moreton held approximately \$2.0 million at an interest rate of 4.1437%.

6. APPROVAL OF DISBURSEMENTS:

Trustees reviewed Zions Bank check numbers 35939, 36016, EFT 99914 and EFT 99920. After further consideration motion was made by Len Arave seconded by Gina Hirst to accept the Disbursements as presented. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

7. APPROVAL OF SEWER LINE AGREEMENTS:

A. EAGLEWOOD COVE SUBDIVISION PHASE 15, PLAT 2 PUD - PROJECT NO. 1-25.

Matt Myers recommended the Agreement for Eaglewood Cove Subdivision Phase 15, Plat 2 PUD, located at 1400 East Wood Oaks Loop in North Salt Lake, known as Project No. 1-25, be accepted.

Motion was made by Mark Preece seconded by Brian Horrocks to accept the Agreement for Eaglewood Cove Subdivision Phase 15, Plat 2 PUD. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

8. 2023 ANNUAL CONSOLIDATED FINANCIAL REPORT (ACFR) - GFOA AWARD:

Mark Katter reported the District received its Certificate of Achievement for Excellence in Financial Reporting for 2023 from the Governments Finance Officers Association (GFOA) of the U.S. and Canada. This is the 26th consecutive year the District has received this award.

9. CLASS 1 SANITARY SEWER OVERFLOW (SSO) - REPORT:

Matt Myers reported that the District recently experienced its first Class 1 Sanitary Sewer Overflow (SSO) since 2019. By definition, a Class 1 SSO is a sanitary sewer overflow from a main line that:

- Affects more than five private buildings;
- Affects one or more public, commercial or industrial buildings;
- Releases more than 5,000 gallons;
- Causes a public health risk;
- and/or Discharges to the waters of the State of Utah.

In this case the overflow reached a storm drain. A sewer manhole backed up completely and overflowed under the manhole cover that stayed in place. Mostly liquid overflowed around the cover into the embankment of I-15 to a UDOT storm drain . This was discovered when a surveyor for UDOT called.

Surveyors for the UDOT project in the area have been in and out of the District manhole where the SSO occurred. There was no evidence to suggest what had caused the backup by way of any unusual foreign objects removed during the SSO cleanup, but field crews suspect that with the surveying activity the cover might not have been replaced properly and allowed for some excess surface debris to instigate the blockage. The line had been cleaned five months prior with no concerns. We promptly notified the State by phone and submitted a written report within five days as required. Cleanup was completed in a timely manner.

10. CONSIDER SANITARY SEWER MANAGEMENT PLAN (SSMP) UPDATE:

As a result of the Class 1 SSO, Lanese reviewed the District's Sanitary Sewer Management Plan (SSMP) program which was first adopted in 2014. A few updates were needed due to staffing changes and current procedures implemented by the District.

Motion was made by Ryan Westergard seconded by Gina Hirst to approve the revisions to the Sanitary Sewer Management Plan (SSMP) for the District as reviewed. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

11. CONSIDER 2025 CURED-IN-PLACE-PIPE (CIPP) LINING PROJECT CHANGE ORDER NO. 1:

This Change Order covers changes to the 2025 CIPP project, allowing for lining of two sections of 8-inch pipe located at 575 West 500 South in Bountiful in the amount of \$23,100.00. The Collection System crew identified these sections while working with UDOT on the upcoming I-15 expansion and felt it was necessary to get these sections lined prior to the scheduled road reconstruction in this area.

Motion was made by Len Arave seconded by Mark Preece to approve Change Order No. 1 in the amount of \$23,100.00 to the 2025 CIPP project. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

12. FINANCIAL AND RATE STUDY UPDATE - REPORT:

Matt Myers reviewed updates to the District's rate study with the Board, including assumptions on North Plant Upgrade payments that will affect timing for the next series of bonds. He noted the option of a tax increase for 2026 and 2027 instead of raising monthly sewer service fees and advised that it would require a truth in taxation hearing if that proves the desired path to securing revenue for further construction financing. Further discussion will follow in future meetings.

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

Matt Myers reported that construction work is continuing to progress. One decision yet to be made on the project is whether to proceed with construction of a new primary clarifier, something we'll have to address in the near future. The District is also closely monitoring the potential impact of tariffs on project costs.

A. CONSIDER CHANGE ORDER NO. 3.

Last month staff reported that a change order would be coming for work that had already been completed. When the contractor excavated the MBBR basin, they couldn't achieve the required compaction, so the decision was made to over excavate and backfill with engineered fill. Change Order No. 3 addresses the costs associated with that work. It also reflects a deduction for a change in 8-inch storm drain pipe material from PVC to ADS pipe.

Motion was made by Gina Hirst seconded by Kendalyn Harris to approve Change Order No. 3 in the amount of \$50,947.00. Motion carried unanimously with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

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

Staff reported that we recently failed mercury testing on our biogas and are re-testing so we can start sending gas back to grid again. We are continuing to address challenges with the digesters, including clogging of pumps and piping. Ultimately, the digesters will need to be cleaned, which is something our potential partners are planning for. We are replacing improperly spec pumps with chopper-style ones and are looking at similar efforts for the hydrolysis buffer tank, though it's more complex.

Our depackaging equipment recently lost a bearing after the paddles were replaced. The part has a long lead time and is costly since it is sourced from Germany.

15. GENERAL MANAGER'S REPORT:

A. UTAH COLLECTIVE BIOSOLIDS PLANNING.

Matt Myers reported that we had another meeting with treatment plants along the Wasatch Front to address the future of biosolids. . Additional entities have been invited to participate. This effort over the next five years will include land acquisition, which is not expected to be easy.

B. LEGISLATION REPORT.

Matt Myers reported that the legislation we supported passed both the House and Senate and is now awaiting the Governor's signature. It allows public entities to seek Water Quality Board involvement for assisting in negotiation of penalty sums during the settlement process.

C. ANNUAL INSURANCE DISCUSSION.

The District has been with our current insurance broker since 2012 and proposes to bid the District's insurance coverage this year.

Matt Myers queried the Board on how often they would like Management to bid this out and if the Board would like a presentation by each bidder at a future board meeting. Some Board Members felt every five years would be best and didn't feel a presentation would be necessary and that management could discuss the results of the bids when received. Len Arave felt the District should look at expertise rather than cost for this service.

16. APPROVAL TO CLOSE THE MEETING TO DISCUSS THE SALE OF REAL PROPERTY:

Motion was made by Brian Horrocks seconded by Gina Hirst to go into closed session. Motion carried unanimously via a roll call vote with Trustees Burningham, Arave, Hirst, Preece, Horrocks, Harris and Westergard voting "aye".

The Chair declared the meeting closed at 6:25 p.m.

Motion was made by Ryan Westergard seconded by Brian Horrocks to return to the open session of the meeting. Motion carried unanimously with Trustees Burningham, Arave, Preece, Horrocks, Harris and Westergard voting "aye".

The Chair declared the meeting opened at 6:40 p.m.

17. CONSIDER APPROVAL OF HEADS OF TERMS AGREEMENT BY AND AMONG FORTISTAR SPV, ALPRO ENERGY AND WATER LLC, ALPRO SD LLC, SOUTH DAVIS SEWER DISTRICT AND WASATCH RESOURCE RECOVERY LLC AND RELATED CONTRACT DOCUMENTS:

Motion was made by Kendalyn Harris seconded by Len Arave to approve the revisions to the Heads of Terms Agreement by and among Fortistar SPV, Alpro Energy and Water LLC, Alpro SD LLC, South Davis Sewer District and Wasatch Resource Recovery LLC and as well as additional Related Contract Documents as discussed. Motion carried with Trustees Burningham, Arave, Preece, Horrocks, Harris and Westergard voting "aye".

18. NEXT MEETING SCHEDULED:

The next regular meeting has been scheduled for Thursday, 20 March 2025, 5:00 p.m.

19. DISMISSAL:

The Chair declared the meeting adjourned at 6:41 p.m.



Clerk


Chair, Board of Trustees