

NORTH DAVIS SEWER DISTRICT
Minutes of Board Meeting held September 14, 2023

Minutes of the regularly scheduled Board Meeting held at the District offices located at 4252 West 2200 South, Syracuse, UT 84075 on Thursday, September 14, 2023 began at 5:45 p.m. following the work meeting scheduled at 5:00 p.m.

MEMBERS PRESENT: Joy Petro, Board Chair; Joe Paul, Vice Chairman; Kent Bush, Treasurer; Anna Stanton; Dave Maughan; Brian Vincent; Howard Madsen, Lance Hamblin; David Hatch, District Manager; Angela Lupcho, Clerk.

ALSO PRESENT WERE: Myron Bachman, Plant Superintendent; Steve Lamb, Collection System Superintendent; Jonas Reeder, Pretreatment Coordinator; Jason Stansfield, Network Administrator; Tyler Weaver, Lab Director; Darren Lowe, Jacobs Engineering; Matt Dugdale, Stifel; BJ Riggins, C&L Water Solutions; Casey Helget, C&L Water Solutions; Jason Williams, Moreton Asset Management.

DECLARATION OF CONFLICTS OF INTEREST

- Board Chair Petro asked whether any board members had any potential conflicts of interest on any of the agenda items. None were disclosed.

MINUTES OF THE MEETING HELD AUGUST 11, 2023

- Minutes of the meeting held August 11, 2023 were approved on motion by Mayor Maughan and seconded by Mr. Hamblin. All were in favor.

Item 3: Presentation on District Investments was moved after Item 5.

CONSTRUCTION UPDATE, CMGC LINING 12

Mr. BJ Riggins, C&L Water Solutions -

- **Manhole Rehabilitation:** Project is close to completion. A deductive change order due to the amount of pavement needed. This will be presented at the end of the project.
- **Work Order 01:** Work on this project has been completed.
- **Work Order 02:** 3700 feet of the 24-inch pipe is complete which is about half the project. This project will be done ahead of schedule and under budget. Lining is anticipated to be finished before the end of September.
- **Work Order 03:** Performance bonds have been paid for. Pre-construction submittals for bypass design are underway.

ENGINEERING AND CONSTRUCTION UPDATE, PLANT DISCHARGE RELOCATION - JACOBS ENGINEERING

Mr. Darren Lowe, Jacobs Engineering -

- **Pipeline Project:**
The pipeline is 92.5% complete. The pipe sleeve is in place. Back fill work along the north side of the causeway is almost complete.
- **Pump Station Project:**
Dewatering is ongoing. The slide gates are in the process of getting installed. An oversized pipe was planned to allow for gravity flow. Using a standpipe forces the pumps to function and gravity flow at peak condition. Yard piping and the submittal process continues.

PRESENTATION ON DISTRICT INVESTMENTS

Mr. Jason Williams, Moreton Asset Management –

- Moreton Asset Management is an SEC registered investment advisor that specializes in working with local governments. All investments are fully compliant with the Utah Money Management



Act statutes. The interest rates have seen the steepest and quickest increase in several decades. A year ago, rates were near 0% to a current overnight risk-free rate of 5.5%. Inflation is still high, and it is anticipated to increase again before it comes back down. There is currently an inverted yield curve. Federally funded rates are being added to the District's portfolio. Interest rates are predicted to go down in the summer of next year. The District currently has \$46 million invested with Moreton Asset Management. Cash flow projections provided by District staff has \$23 million invested in short-term investments. The portfolio is well diversified. The portfolio's duration is less than a year with book yield up over 4%.

PRESENTATION OF FRAUD RISK ASSESSMENT

Ms. Angela Lupcho –

- The fraud risk assessment program is designed by the Utah State Auditor to help measure and reduce the risk of undetected fraud, abuse, and non-compliance in local governments. Internal controls, separation of duties, commitment of ethical behavior, adoption and practice of written policies, hiring and training qualified staff and providing effective training. The total points earned on the assessment is 375/395 with a very low risk level. Points increased from the 2022 assessment due to Ms. Lupcho earning her CPFO designation. The Fraud Risk Assessment will be submitted to the State Auditor's office.

MANAGER'S REVIEW

Mr. David Hatch –

- Collections Project updates:
 - 3200 West Replacement Project: Work on the sewer line is complete and surface restoration has begun. The contractor really stepped up. The transfer agreement to Layton City will be prepared for approval by the Board next month.
 - Hill field Road Replacement: Whitaker has requested a change order to allow a change in the start time for work on the project due to labor shortage. A \$200,000 credit was offered and an additional cost of \$123,700 was charged for public involvement which leaves a remaining \$76,300 credit on the project.
- A pump station tour was scheduled for tonight but there were some conflicts for some board members. A tour can be given any time and for those board members who might want to continue with the tour tonight, it is still an option.
- Mr. Paul asked Mr. Hatch about the 5600 South project. Design is underway. Mr. Hatch has concerns about the type of pipe being used which is thinner than the District's standard of pipe would be, and the concern is the integrity of the pipe under the weight of the improvements being made in the area. The Memo of Understanding with MIDA is being updated to prolong the transfer until after the construction of the new UDOT interchange is complete to mitigate the risk of using the thinner pipe to the District.

ADJOURNED

Moved by Mayor Maughan and seconded by Mr. Paul to adjourn at 6:20 p.m. All were in favor.

Approved Angela Lupcho 10/12/2023
Clerk of Board Date

