

NORTH DAVIS SEWER DISTRICT
Minutes of Board Meeting held October 12, 2023

Minutes of the regularly scheduled Board Meeting held at the District offices located at 4252 West 2200 South, Syracuse, UT 84075 on Thursday, October 12, 2023 began at 5:57 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; Ryan Bjerke, Chapman and Cutler; Casey Helget, C&L Water Solutions. Brian Lamar, Kerry Lee, Matt Burlison, Tyler Murri, and Tyler Barfuss attended remotely via Zoom.

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. Vice Chairman Joe Paul mentioned that there is a CRA presentation for Roy City but there is no conflict to disclose. No other potential conflicts were disclosed.

MINUTES OF THE MEETING HELD SEPTEMBER 14, 2023

- Minutes of the meeting held September 14, 2023 were approved on motion by Mayor Maughan and seconded by Mayor Madsen. All were in favor.

CONSTRUCTION UPDATE, CMGC LINING 12

Mr. Casey Helget, C&L Water Solutions -

- Manhole Rehabilitation: Work on this project has been completed.
- Work Order 01: Work on this project has been completed.
- Work Order 02: Construction phase of this project is complete one week ahead of schedule. Currently doing bypass clean up. The District saved about \$260,000.
- Work Order 03: Project is on track. Beginning stages of project. Bypass and traffic control plans are being designed. A portion of this project will be reimbursed by UDOT.

ENGINEERING AND CONSTRUCTION UPDATE, PLANT DISCHARGE RELOCATION - JACOBS ENGINEERING

Mr. Darren Lowe, Jacobs Engineering -

- **Pipeline Project:**
The pipeline is 96% complete. The pipeline is currently under the road. It is planned to be paved by November 13. Mr. Hamblin asked why they would wait to pave until November when weather could potentially cause issues with paving. Mr. Lowe explained that he believes that it is because the casing needs to be fully cured before the paving can be completed.
- **Pump Station Project:**
Contractors are currently pulling off forms for the standpipe and this stage of the project is nearing the end. The CMU block construction is next.
- **Hill Field Road Project:**
Start date for this project is October 30, 2023.

CONSIDERATION OF RESOLUTION NO. 2023-09

Mr. Matt Dugdale, Stifel Public Finance, and Ryan Bjerke, Chapman and Cutler –

- A presentation was given by Mr. Dugdale illustrating the District's bond market rate history and the target for the beginning of 2024 when the proposed bonds will be issued. The District's



aggregate annual debt service was graphed showing it has strategically planned decreasing over time and how the new bonds would layer with the other outstanding bonds. A timeline was also presented showing tonight's resolution for adoption, the bond ratings in December/January, the bond sale in January/February, Post bond pricing presented to the Board and the bond closing in February.

- Mr. Bjerke presented the contents of the Supplemental Resolution for this one series of bonds. The parameters of the bonds are as follows: the amount of the bonds issued cannot be more than \$18 million, the bonds cannot be outstanding longer than 21 years, they cannot have an interest rate of more than six and a half percent and cannot have a discount less than 2%. It also delegates the final pricing terms to certain designated officers: the Board Chair, Vice Chairman, District Manager, and Treasurer. It also allows us to go forward with a notice of bonds to be issued which starts a 30 day contest period and sets a public hearing for November 9.
- Moved by Mayor Madsen to adopt Resolution No. 2023-09 authorizing the issuance and sale of up to \$18,000,000 of Sewer Revenue Bonds. Seconded by Mr. Paul and roll call vote was taken: Joy Petro – yes; Joe Paul – yes; Kent Bush – yes; Lance Hamblin – yes; Anna Stanton – yes; Dave Maughan – yes; Howard Madsen – yes; Brian Vincent – yes. Voting was unanimous.

SET PUBLIC HEARING DATE FOR ISSUANCE AND SALE OF UP TO \$18,000,000 OF SEWER REVENUE BONDS FOR NOVEMBER 9, 2023 AT 6:00 P.M.

- Moved by Mayor Maughan to set the public hearing date for the issuance and sale of up to \$18,000,000 of sewer revenue bonds for November 9, 2023 at 6:00 p.m. and was seconded by Mr. Bush. All were in favor.

CONSIDERATION OF RESOLUTION NO. 2023-10

- Moved by Mayor Maughan to adopt Resolution No. 2023-10 cancelling the November 21, 2023 election seeing how there are no other candidates. It was seconded by Ms. Stanton and all were in favor. Mr. Hamblin was welcomed to the board again.

PRESENTATION OF CRA INTERLOCAL AGREEMENT FOR THE AMENDED 1900 SOUTHEAST COMMUNITY REINVESTMENT PROJECT AREA

Mr. Rob Sant, Urban & Main –

- A presentation explaining how tax increment funding can be used to fund redevelopment projects. The proposed CRA project area in Roy covers 67.52 acres south of Riverdale Road between 1900 West and I-15. With the Roy Innovation Center headquarters bringing approximately 5,000 jobs, their employees are looking for higher-end housing options. The development would add 847 units and approximately 430,000 SF of commercial and office space. The length of the proposed tax increment participation they are asking for is 20 years with a participation rate of 70%. The Weber School District has approved their agreement, and the other entities are scheduled to in the next few weeks. The District's base year taxes total \$23,030. The average annual TIF to go to the CRA is estimated to be \$60,746. For a total of \$24,918,935 from all entities over the 20 years. The estimated uses of the tax increment would mostly fund infrastructure and parking structures. The remainder of the project would be funded through private capital.

CONSIDERATION OF RESOLUTION NO. 2023-11

- Moved by Mr. Bush to adopt Resolution No. 2023-11, "A Resolution of the North Davis Sewer District approving an Interlocal Cooperation Agreement with the Roy City Redevelopment Agency." Seconded by Mayor Maughan and roll call vote was taken: Joy Petro – yes; Joe Paul – yes; Kent Bush – yes; Lance Hamblin – yes; Anna Stanton – yes; Dave Maughan – yes; Howard Madsen – yes; Brian Vincent – yes. Voting was unanimous.



Ms. Stanton was excused and left the meeting at 6:38 p.m.

PRESENTATION OF CITY CONNECTIONS AUDITS 2023

Ms. Angela Lupcho –

- Ms. Lupcho expressed her appreciation for how hard the city employees work to assist the District collecting the impact fees and remitting them to the District. The audit findings presented were as follows: Clearfield City – no findings; Clinton City – a commercial permit was collected but not remitted to the District for \$5,800; Layton City – no findings; Roy City – a commercial permit was collected but was remitted short \$210; Sunset City – no findings; Syracuse City – no findings; West Point City – Two residential permits were issued for Accessory Dwelling Units (ADU) and a fee was collected on the District’s behalf. The District does not currently assess an impact fee for an ADU so these fees will be refunded back to the City to refund to the residents. It was recommended by some board members that the District consider revising the policy and collecting an impact fee for an ADU in the future.

CONSIDERATION OF RESOLUTION NO. 2023-12

Mr. David Hatch –

- Resolution No. 2023-12, “A Resolution amending the policies and procedures manual by amending and restating Section 6.B and providing for an effective date” extends the type of positions considered exempt by the District to include “Key supervisory positions” which would potentially add the Collections Superintendent, Accountant, and the Network Administrator as non-contract exempt employees by the District. There would be a total of six exempt positions with this amendment to the policies.
- Moved by Mayor Maughan to adopt Resolution No. 2023-12 amending the personnel policies and procedures manual and was seconded by Mayor Madsen. All were in favor.
- Mr. Hatch stated the new Collection Superintendent position will be advertised internally.

DISCUSSION OF UPDATING PERSONNEL POLICIES

Mr. David Hatch –

- The District has hired an HR consultant and employment specialist attorney to review the District’s handbook to assist us with modernizing and updating to allow for more flexibility to the District in policy. Mr. Hatch is seeking direction from the Board on how to proceed with some of the recommended changes.
 - The first recommendation would be to separate the procedures that don’t belong in the Employee Handbook to a separate management operation manual or add them to the Ordinances if it makes more sense that they be included in that document. The board supported the effort.
 - Another recommendation would be to remove light duty status for employees to avoid liability for further injury on the job. Mr. Hatch recommended that to mitigate the removal of the light duty status the District provides employees with short term disability insurance to bridge the gap between when they are injured and when long term disability insurance is available to the employee. Three separate examples of coverage were presented which the Board felt the cost was negligible. There was some discussion about sick leave usage and the legalities of a policy like this. Mayor Vincent gave his professional opinion based on the patients he treats and how often employers do not offer light duty status which was frequent. The board supported more investigation into this type of change.
 - The next recommendation is regarding termination. Currently, non-exempt employees are considered “for cause” employees and exempt are considered “at will.” The



recommendation would be to move both exempt and non-exempt employees to “at will” employees. The same level of written status or warnings could be given, and the intent is not to change our procedures. This change would mitigate the risk of litigation to the District.

- The final recommendation is regarding FMLA. Where the District has less than 50 employees, we are not required to comply with FMLA. The District has adopted our own policy that provides the same benefit protections as the FMLA law provides. The recommendation would be to remove the FMLA compliance from the Employee Handbook in case FMLA changes in the future and there becomes a discrepancy with our policy. There was discussion about the potential of reaching 50 employees in the future and input was requested from the Plant and Collections System Superintendents on whether they felt they would need new employees. A potential for additional employees was described for the Plant as more seasoned and experienced employees retire to be able to cover their current responsibilities as well as additional Collections employees to do additional inspections for CMGC projects. Adding the FMLA back into the policy could be done easily if the number of employees increased requiring compliance.

MANAGER’S REVIEW

Mr. David Hatch –

- Collections Project updates:
 - 3200 West Replacement Project: Project completion is delayed due to surface restoration which will be complete next week. The transfer of ownership of the line to Layton City will be done at 100% completion.
- A District Collections System employee, Kendall Linton, participated in the All-Star Operators Challenge at the national WEFTEC conference. His team took second place in the safety event and ranked fifth overall out of 23 teams in division two and outranked Central Valley’s team which won the WEAU Utah division challenge in April. Board Chair Petro asked whether the board members who attended the conference were able to see his team compete. She voiced her appreciation for the board representation at the conference. Mr. Hatch expressed his appreciation for the board giving another operator the opportunity to attend.
- The land leases management is transitioning to our property management firm, Froerer. By policy, the current lessees will have the first option to decline the lease before it is offered to other potential lessees. The leases will be raised 8% this year to cover the additional 8% cost to manage the leases. The sub-lease from Ryan Eames to Black Island Farms will be cancelled and that land will likely be leased directly to Black Island Farms by the District. Mr. Hamblin asked about whether local comps were used and voiced his concern that the land may become too expensive for the current lessees if the prices are increased too much in the future. Mr. Hatch explained that in the future the leases could be determined by market bid if the land lease prices outpaced demand.
- Black Island Farms provided each board member with two tickets.

BOARD CHAIR’S REVIEW

- Board Chair Petro expressed her appreciation to everyone and their dedication to the District, and that the two board members were willing to go to WEFTEC and represent the rest of the Board.
- There was discussion about those board members running for re-election and which cities’ board positions would need to be filled for 2024.



ADJOURNED

Moved by Mayor Maughan and seconded by Mr. Hamblin to adjourn at 7:22 p.m. All were in favor.

Approved Angela Lyzko 11/9/2023
Clerk of Board Date



