

NORTH DAVIS SEWER DISTRICT
Minutes of Board Meeting held May 12, 2022

Minutes of the regularly scheduled Board Meeting held at the District offices located at 4252 West 2200 South, Syracuse, UT 84075 on Thursday, May 12, 2022 at 6:06 p.m.

MEMBERS PRESENT: Joy Petro, Board Chair; Joe Paul, Vice Chairman; Kent Bush, Treasurer; Stan Hamblin; Anna Stanton; Dave Maughan; Howard Madsen; Brian Vincent; Kevin Cowan, District Manager; Angela Lupcho, Clerk. Joe Paul participated electronically.

ALSO PRESENT WERE: Myron Bachman, Plant Superintendent; Steve Lamb, Collection System Superintendent; Ken Burgener, Lab Director; Jason Stansfield, Network Administrator; Jonas Reeder, Pretreatment Coordinator; Tyler Barfuss, Collections System Lead Worker; Brian Lamar, Operations Lead Worker; Jose Zamora, Plant Operator; Marianka Sochanska, Brown & Caldwell Engineering; Jacob Young, Brown & Caldwell Engineering; Darren Lowe, Jacobs Engineering; Preston Kirk, Stifel Public Finance; Matt Dugdale, Stifel Public Finance; Darrell Child, Olympus Insurance.

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 noted.

MINUTES OF THE MEETING HELD MARCH 10, 2022

- Minutes of the meeting held March 10, 2022 were approved on motion by Mayor Madsen and seconded by Mr. Hamblin. All were in favor.

AWARD OF CONTRACT FOR RENEWAL OF PROPERTY AND LIABILITY INSURANCE

Mr. Darrell Child -

- The District's schedules of equipment and asset valuation was evaluated and there was a valuation increase. The District is part of a multi-year insurance program and currently on year two of the program. A presentation was given at the March board meeting to discuss the addition of higher excess liability coverage limits. The current liability limit has \$10 million in excess coverage. Included in the insurance proposal is two options to address the coverage risk for \$15,000 annual premium per \$5 million in additional excess liability coverage. Cyber liability insurance will need to be approved supplemental to this contract after a few more internal District issues are addressed to allow for coverage. Board members discussed and generally supported keeping the coverage as is for this year. A review was given of the District's reserve policy. Mr. Child also explained that coverage could be added at a per million cost but there would be a minimum coverage likely required by insurance company.
- Moved by Mayor Maughan to award the contract for renewal of property and liability insurance as presented with current limits and no additional excess liability insurance added. Seconded by Ms. Stanton and roll call was taken: Joe Paul – yes; Kent Bush – yes; Dave Maughan – yes; Anna Stanton – yes; Joy Petro – yes; Howard Madsen – yes; Brian Vincent – yes; Stan Hamblin – yes. Voting was unanimous.

PRESENTATION AND APPROVAL TO PURCHASE COLLECTIONS VACTOR COMBINATION TRUCK

Mr. Steve Lamb -

- Owen Equipment gave a demo of a vactor truck to District employees and Board Members at the WEAU. A quote was received for a truck that meets District specs that would be delivered from California. Asking for Board's approval to proceed with the truck's purchase. Board members commented on how quiet the new truck is and also how beneficial the software package would be. Current truck should be able to sell for \$250,000. Mayor Madsen thought the truck was a



good choice for us and not the most expensive. Mayor Vincent asked how many trucks we currently own and Mr. Lamb answered two, one in the Plant and one in Collections. Mayor Vincent followed up asking if the Plant would want to keep the Collection's truck to replace their older model. Mr. Lamb stated and Mr. Bachman indicated that they would prefer to keep the older model which has had less issues. Mayor Maughan stated that he felt it would be better to buy this year rather than wait due to inflation and unknown cost increases.

- Moved by Mr. Bush to approve the vactor truck purchase from Owen Equipment. Seconded by Mayor Maughan and roll call vote was taken: Kent Bush – yes; Anna Stanton – yes; Howard Madsen – yes; Joy Petro – yes; Brian Vincent – yes; Stan Hamblin – yes; Dave Maughan – yes; Joe Paul – yes. Voting was unanimous.

PRESENTATION AND APPROVAL OF FIRST QUARTER 2022 FINANCIAL REPORT

Ms. Angela Lupcho -

- First Quarter transparency reporting and annual payroll data for 2021 has been submitted to the State Auditor. All bond payments have been made on time. The 2012 and 2012B bonds were refunded in March and the 2021 new money bond proceeds for construction have been expended which is well under the spend down requirements of 2 years. The impact fee study that the bond has been conducting is nearing completion which will follow with a Public Hearing in June or July. The Property tax rate will need to be certified in June. Data from the tax commission will be available on 6/8 which is the day before board meeting and the Board has until 6/22 to approve. The District would like to propose holding a work meeting with the Board in June to review the financial model.
- Cash and Cash Equivalents totaled \$7,314,665 as of March 31, 2022. Restricted Cash and Cash Equivalents totaled \$44,462,715. Current bonds payable reflect all bond payments have been made. Total long term bonds payable totaled \$102,535,000. Charges for Services totaled \$5,553,478 or 26% of the budgeted revenue. Property taxes will be mostly collected towards the end of the year and have currently received 3% of the budgeted amount. Impact Fees received totaled \$2,352,160. Operating expenses related to personnel were at 20% of the total budgeted amount. Overall expenses totaled \$5,042,240 or 24% of the budgeted amount.
- Moved by Mayor Maughan and seconded by Mr. Bush to approve the 2022 First Quarter Financial Report. All were in favor.

CONSIDERATION OF APPROVAL OF RESOLUTION NO. 2022-02

Mr. Preston Kirk -

- Resolution No. 2022-02, “A Resolution authorizing the issuance of up to \$34,500,000 of sewer revenue refunding bonds, delegating authority to certain officers to approve final terms and provisions of such bonds and providing for related matters” was presented. The goal of the District is provide services at the lowest cost, refund high interest rate debt for savings, pay for ongoing projects on a pay-go basis, maintain cash reserves and bond as a last resort. 2022 started out with favorable interest rates which have increased since. The Series 2014 bonds is the District's best refunding candidate currently but cannot be refunded on a tax-exempt basis until 90 days before the 3/1/2023 call date. The District can issue taxable bonds until 12/1/2022 and then convert to tax exempt rates for the duration. Preliminary estimated savings on the refunding transaction are \$600,000 and subject to change. The parameters resolution being presented would authorize up to \$34.5 million in refunding bonds with amortization not to exceed 12 years matching the current debt schedule. Maximum interest rates of up to 5% and would delegate authority to the Board Chair or Vice Chair or District Manager to lock-in the final terms and conditions of the Series 2022 refunding bonds. Mayor Maughan stated that he felt there should be two designated officers making the decision.



- Moved by Mayor Madsen to approve Resolution No. 2022-02 with a change to add a minimum of two officers to authorize the terms of the bond issue. Seconded by Mr. Hamblin and roll call vote was taken: Brian Vincent – yes; Howard Madsen – yes; Stan Hamblin – yes; Kent Bush – yes; Joy Petro – yes; Joe Paul – yes; Dave Maughan – yes; Anna Stanton – yes. Voting was unanimous.

ENGINEERING AND CONSTRUCTION UPDATES – BROWN AND CALDWELL

Ms. Marianka Sochanska -

- **Hill Field Road Design:**
This project includes work from the Master Plan and will include the replacement and upsizing of the existing sewer line to 18- and 21- inch sewer mains and adjusting the flow splits to send all the flow south. The existing pipe is in poor condition and needs to be replaced as well as needing increased capacity for growth. Design is on track for 30% submittal on May 17th. Meetings with UDOT and Layton City for a 30% review will be in May as well.
- **Mutton Hollow Replacement:**
This project includes work on the downstream portion of the “East Outfall Phase 4” project as detailed in the Master Plan. Kaysville City is planning to reconstruct Mutton Hollow Road from Main Street to Fairfield in 2022 so this portion of the project will upsize the sewer ahead of the Kaysville City work. The 21- and 24- inch sanitary sewer will be replaced with 30 inch line. Contractor mobilization began this week.
- **CIPP 9 – Lining Project 9 Construction – 4000 West & 4500 West:**
This project includes lining up to 6,215 feet of 36-inch to 60-inch diameter piping along 4000 West and 4500 West using the UV cured CIPP method as well as manhole rehabilitations for all manholes in the project. There will be two sections. 2 manholes are currently being worked on at the District’s entrance while the project has full bypass from Antelope Drive. One 54” lining segment has been installed and the second is expected to be installed tomorrow. Crews are working 24 hours a day to try to keep progress on track.
- **CIPP 10 – Lining Project 10 Construction – 4000 West & Roy:**
This project includes lining high priority segments of the collection system with UVCIPP Liner and were identified as part of the Master Plan and recent CCTV conducted as part of the ongoing asset management plan. Project is on hold waiting for contractor scheduling.
- **Manhole Rehabilitation Project 1 – Gordon Avenue:**
This project includes rehabilitation of 15 manholes in Gordon Avenue. Details are still to come on timing of this project.
- Change Order 01 was presented for CIPP Lining Project 9 for manhole base and invert coating which will add a cost of \$207,632 and time of 42 days to the project. Irrigation line and dewatering adds 5 more days for a total of 47 days extension. Moved by Mr. Bush and seconded by Mayor Madsen to approve Change Order 01. Roll call vote was taken: Joy Petro – yes; Joe Paul – yes; Kent Bush – yes; Stan Hamblin – yes; Anna Stanton – yes; Dave Maughan – yes; Howard Madsen – yes; Brian Vincent – yes. Voting was unanimous.

ENGINEERING AND CONSTRUCTION UPDATE, PLANT DISCHARGE RELOCATION - JACOBS ENGINEERING

Mr. Darren Lowe-

- Aerial photos were displayed showing the pipeline leading to siphon. Siphon installation began with excavation. Concrete encasement is expected on 5/23. 50% progress complete on the pipeline.



- Pump station design is complete. 5 contractors were prequalified with four showing up to the pre-bid meeting. Bids are due 6/2 and expected contract award in June 2022. The pump station construction may stretch out another year due to supply issues.

MANAGER'S REVIEW

- The District would like to prepare a Request for Proposal for an alternative approach to save costs in lining called CMGC which would be a multi-year contract rather than having engineering done each year for very similar projects. Layton and Ogden City have similar contracts. The District would coordinate with the contractor on each year's design and scope of the projects that the District can fund. Projects would still go through the procurement process. And they would serve as the emergency response contractor. Mayor Maughan commented that lining is a very limited field where sometimes only one contractor has put in a bid in the past.
- Mr. Hamblin asked whether there was an update on PFAS. Mr. Cowan stated that there was no update at this point and no solution was presented in St. George at the WEAU Conference. It's suggested that they address by PFAS limited use and not current conditions. Mr. Reeder added that he learned that three plants in Colorado have PFAS in their permits.

CHAIRMAN'S REVIEW

- Board Chair Petro appreciated the Board's participation at the WEAU Conference last month.
- Holding a special meeting was discussed and scheduled for June 15, 2022 at 7:00 p.m. to discuss the financial model and potentially certifying the property tax rate if data is not ready for the June 9th board meeting.
- Approval of District Manager appointment: Board Chair Petro detailed the systematic process they went through to select the interviewees and how the selection committee was put together. The three finalists were given one hour apiece to interview. Every applicant was asked the same questions. Mr. Cowan announced that Mr. David Hatch was selected for the District Manager appointment.

ADJOURNED

Moved by Mayor Maughan and seconded by Mr. Hamblin to adjourn at 7:46 p.m. All were in favor.

RECONVENED

Moved by Mayor Maughan and seconded by Ms. Stanton to reconvene at 7:48 p.m. All were in favor.

- Mayor Maughan moved to ratify the nominee, David Hatch, for the District Manager appointment. Seconded by Ms. Stanton and roll call vote was taken: Joy Petro – yes; Joe Paul – yes; Kent Bush – no; Stan Hamblin – yes; Anna Stanton – yes; Dave Maughan – yes; Howard Madsen – no; Brian Vincent – yes. Six voted for and two voted against. Motion carried.

RE-ADJOURNED

Moved by Mr. Bush and seconded by Mr. Hamblin to re-adjourn at 7:51 p.m. All were in favor.

Approved

Angela Szycko
Clerk of Board

6/15/2022
Date

