

TIMPANOGOS SPECIAL SERVICE DISTRICT
ADMINISTRATIVE BOARD MEETING MINUTES

APPROVED

August 15, 2019 6:00 p.m. Conference Room

Board Members

Present: David Bunker Dale Ihrke *Mark Christensen
Johnny Revill Lynn Walker Craig White
Sullivan Love Chandler Goodwin Brian Braithwaite
Jay Meacham Blaine Thomas Mack Straw

Excused: Commissioner Bill Lee

District Staff: Richard Mickelsen, District Manager
Shannon Hansen, Human Resource/Administrative Assistant
David Barlow, District Engineer
Danette Smith, Board Secretary
Joe Martin, CPA

Others: Craig Carlile, Attorney
Brandon Wyatt, Bowen Collins and Associates
Ryan Bench, Carollo Engineers

Call to Order

David Bunker, Board Chair, called the meeting to order. 6:03 p.m.

Public Comment

There was no public comment.

Approval of Minutes

1. Approval of the June 20, 2019 Administrative Board Meeting Minutes

Craig White made a motion to approve the minutes of the June 20, 2019 Administrative Board Meeting. Sullivan Love seconded the motion. Those voting "Aye" – David Bunker, Dale Ihrke, Brian Braithwaite, Johnny Revill, Lynn Walker, Craig White, Sullivan Love, and Chandler Goodwin. Those abstaining – Blaine Thomas, Mack Straw, Jay Meacham. The motion passed with a majority.

Action Items

1. Purchase Three CAT Loaders from Wheeler Machinery for 2020

Rich said the board approved the purchase of last year's loaders in the May meeting. Those loaders were ordered in November, then delivered and paid for later. We have looked at a different vendor, Wheeler Machinery. The agreement with Honnen John Deere loaders, ends December 30, 2019. The original cost of the John Deere loaders was \$137,695 with a buyback of \$115,000 for a cost of \$22,695.00 each. The Wheeler CAT Loaders are \$164,319.25 with a buyback of \$149,000.00 for a cost of \$15,319.25 each. That is a cost savings of \$7,375.75 for each loader. Both vendors are on the state contract purchase list. Rich recommends we go with Wheeler Machinery. These will be ordered in December and delivered in January. Rich said he questioned whether we needed the loaders when we were transitioning out of the compost business. We will still need all three loaders next year and reevaluate then whether we need all three. We have sufficient money in our fleet budget to pay for these. Jay Meacham asked the estimated hours on the loaders. Rich said we are around 1,200-1,400 on each loader. Brian asked how much it is anticipated to change next year. Rich said he expects we will use them the same amount next year as we will still be

1 composting through the whole year. Rich figures we will be producing compost through the end of 2020 but will not
2 have it all sold until later.

3
4 **Blaine Thomas made a motion to approve the purchase of the three CAT Loaders from Wheeler**
5 **Machinery for a total price of \$492,957.75. Brian Braithwaite seconded the motion. Those voting “Aye” -**
6 **David Bunker, Dale Ihrke, Mack Straw, Brian Braithwaite, Blaine Thomas, Lynn Walker, Craig White, Jay**
7 **Meacham, Johnny Revill, Sullivan Love and Chandler Goodwin. The motion passed unanimously.**

8 9 **2. Cell Tower Contract**

10 Rich said this contract has been changed from the one brought before the board a couple of months ago. There
11 was a provision for the owner of the cell tower to exit the contract with a thirty-day notice. We wanted to be able to
12 have that same exit clause if we wanted to get out of this contract. They have now agreed to that so it is written in the
13 contract that “each renewal term shall automatically renew unless either party provides written notice to the other of
14 that party’s election not to renew the agreement at least (1) one year prior to the expiration of the then current
15 renewal term.” Rich said we need approval from the board to move forward with this. David Bunker thanked Rich
16 for working so hard on this contract negotiation.

17
18 **Brian Braithwaite made a motion to approve the First Amendment to the Site Lease between Timpanogos**
19 **Special Service District and T-Mobile West Tower LLC as presented. Blaine Thomas seconded the motion.**
20 **Those voting “Aye” - David Bunker, Dale Ihrke, Mack Straw, Brian Braithwaite, Blaine Thomas, Lynn**
21 **Walker, Craig White, Jay Meacham, Johnny Revill, Sullivan Love and Chandler Goodwin. The motion**
22 **passed unanimously.**

23 24 **Finance**

25 **1. Financial Report**

26 Joe Martin handed out an updated financial statement which shows a comparison between June 2018 and June
27 2019. The one in dropbox had not been updated and still showed May 2018 as a comparison to June 2019. Joe said
28 there is a schedule in dropbox that shows how much we owe ourselves back in impact fee qualified expenses in debt.
29 It is close to \$50 million. David Bunker said looking at the trend in ERUs it looks like we are projected to finish the
30 year lower than 2018. David asked Joe if he is comfortable with our revenue projections. Joe said he does not worry
31 too much about the projections for revenue because he has always looked at the budget as authorization to spend, so
32 there is no reprimand from the state if we miss our revenue numbers. Joe said he will be more prepared to talk about
33 that in our next budget meeting. Brian said we projected \$500,000 for the interest in investment income; we are
34 almost double that. Joe said when we prepared budget, we were looking at PTIF only. Because of the type of
35 crossover debt we did, we have to put the asset and liabilities on our books. Any interest in investments we earn on
36 that we have to record here, which throws off our budget for the PTIF interest earnings.

37 *Mark Christensen arrived. 6:25 p.m.

38 39 **Communication**

40 **1. TSSD Plant Tour**

41 Rich said we are part of the Wasatch Front Water Quality Council. We have a lobbyist to help us interact with the
42 legislators and keep them up to date with our interests here in Utah County. They have set up a tour of our facility
43 and opened it up for legislators to see what kind of infrastructure we have in place to clean the water. Rich said it is
44 also opened up to all the mayors and city council members. It is September 10th from 10:30 -12:30 with lunch
45 provided. Brian asked how this has been communicated with the cities. Rich said he believed there has been a
46 personal letter sent to each council member. Rich thinks there have been phone calls to the legislators to invite them.
47 Brian recommended each board member go back and invite city council members. It is important because it is a
48 huge piece of every city’s budget.

1 **2. Manager's Report**

2 Rich said there is a board retreat October 17th at 8 a.m. That is the same day as board meeting, so we will do both
3 that day. It will be posted as a public meeting so the public can attend. Rich said The Administrative Committee is
4 still working on the employee handbook. Rich will start sending out the parts that have been done to the other
5 committees. The market study is complete, and Rich will present that to the other committees for review.

6 The hauling contract with SNAP Trucking and Wasatch Regional is going well. We have budgeted \$875,000
7 knowing that we are going to haul more to the landfill. Rich said projections are close to that and hopefully we will
8 not need to make a budget amendment. We will know more at the budget meeting in October.

9 Rich said initially the North Pointe and NUERA contract was a 2-way contract between us and North Pointe.
10 NUERA board members suggested it be a three-way contract. They want to be able to guarantee they can accept the
11 waste at Bay View Landfill. We received our requirements from Olympus Insurance, which were included in that
12 contract. Rich said the general liability is \$2 million per occurrence with a \$3 million aggregate. The vehicle
13 insurance is \$5 million, and they added environmental at \$1 million. NUERA has the contract for review. Blaine
14 Thomas said the excess liability ought to be pushed up to \$10 million. We also should know if there is gap between
15 the base and excess liability that we need to pay. Rich said he would look into that. Rich said we pay \$30/ton with
16 NUERA. In the new contract they are increasing the cost to \$40/ton, which may affect the \$875,000 he mentioned
17 earlier.

18 Rich said the Boat Harbor Lift Station was annexed into American Fork City this week. To be separate and
19 neutral, we petitioned not to be part of American Fork, but that did not happen. Rich said as the District has
20 purchased land, it has acquired 2-acre ft of well water rights and over 1000-acre ft of surface water rights. Rich is
21 working with a lawyer on those water rights. Rich said if board members could find out if their cities have an interest
22 in water re-use that would be helpful as we prepare for the board retreat.

23 Rich went through the engineering projects and their progress.

24 Rich said the Financial Committee will work on the IFA and User Rate Study with Zions Bank.

25 Brian asked Rich about the asset management. Rich said the CMMS will incorporate all the assets and show their
26 life span along with the required maintenance. It will take some time to correctly set that up. Brian said we have \$40
27 million in unencumbered assets. The purpose of the asset management is to show that money is not just sitting out
28 there and that it has been identified where it is to be used. The sooner we can get into the asset management program
29 and identify its use, the better off we will be. David Bunker said he agrees, another component of that is the work
30 Zions is doing for us. They are going to identify all of those assets, put it in our CFP to make sure we have the right
31 numbers. Brian said we ought to set that discussion on the agenda and start setting some goal dates.

32 Sullivan Love said DEQ regularly posts on social media about air and water quality. They hammer Utah Lake
33 constantly. Comments on those always reflect back negatively to wastewater plants. Sullivan has mentioned to the
34 Engineering Committee about establishing a good PR Program to build a positive image of the district. Brian said he
35 is not sure how many people look at DWQ to determine whether there is any value in that. If newspapers go out and
36 start talking about it, then it becomes a bigger issue. David Bunker asked Rich if we could invite someone from the
37 media to come to our plant tour. Rich said he could look in to that.

38 The plant was in compliance for the month of July. Rich said the effluent total phosphorus was .89 mg/L YTD.
39 We need to be under 1.0 mg/L average for 2020. The August numbers are 2.3 mg/L so we will have to average that
40 in. Rich showed the Board the NACWA Platinum Award the District received for having 10 years without any
41 violations. Brian thought it would be a good idea to get a picture with staff and the award and display it on the wall.
42 David Bunker said we ought to do a PR release on it.

43
44 **Closed Meeting**

45 There was no closed meeting.

46
47 **Adjourn: Chandler Goodwin made a motion to adjourn. Sullivan Love seconded the motion. All present**
48 **“Aye”. Meeting adjourned 6:53 p.m.**