

TIMPANOGOS SPECIAL SERVICE DISTRICT
ADMINISTRATIVE BOARD MEETING MINUTES

APPROVED

August 20, 2015

6:00 p.m.

Conference Room

Board Members:

Present:	Mark Johnson	Dale Ihrke	Chris Condie	David Norman
	*David Bunker	Spencer Kyle	Brian Braithwaite	Jay Meacham
	Keith Blake	Sean Fernandez	Craig Whitehead	

Excused: Tracy Wallace Craig White

District Staff: Jon Adams, District Manager
Shannon Hansen, Human Resource
Danette Smith, Board Secretary
David Barlow, District Engineer
Joe Martin, CPA

Others: Ken Spiers, Bowen, Collins & Associates
Craig Carlile, Attorney, Ray Quinney & Nebeker
Brandon Wyatt, Bowen, Collins & Associates

Call to Order:

Mark Johnson, Board Vice Chair, called the meeting to order. 6:09 p.m.

Public Comment

There was no public comment.

Public Hearing

1. Hearing on the 2015 Tentative Amended Operations and Maintenance & 2015 Tentative Amended Capital Budgets

Mark Johnson opened the Public Hearing on the 2015 Tentative Amended Operations and Maintenance & 2015 Tentative Amended Capital Budgets

There was no public comment.

Approval of Minutes

1. Approval of the June 18, 2015 Administrative Board Meeting Minutes

Chris Condie made a motion to approve the meeting minutes from the June 18, 2015 Administrative Board Meeting. Keith Blake seconded the motion. Those voting "Aye" – Mark Johnson, David Norman, Spencer Kyle, Brian Braithwaite, Chris Condie, Jay Meacham, Keith Blake, David Bunker, Sean Fernandez, Dale Ihrke, and Craig Whitehead. The motion passed with a unanimous vote.

1 **Consent Calendar**

- 2 1. **Pay Request No.8 Bud Mahas Construction/Laboratory Building**
3 2. **Pay Request No. 3 Whitaker Construction/Alpine Highland Segment III Sewer Line Project**
4 3. **Pay Request No. 4 Whitaker Construction/Alpine Highland Segment III Sewer Line Project**
5 4. **Change Order No.1 Whitaker Construction/Alpine Highland Segment III Sewer Line Project**
6

7 Jon said July's Board Meeting was cancelled, but Board Members approved payment of Pay Request No.8
8 Bud Mahas Construction/Laboratory Building and Pay Request No. 3 Whitaker Construction/Alpine Highland
9 Segment III Sewer Line Project. There is not a pay request from Bud Mahas this month. The Board reviewed the
10 pay requests and change order.
11

12 **David Bunker made a motion to approve the Consent Calendar, which includes Pay Request No.8 Bud**
13 **Mahas Construction/Laboratory Building, Pay Request No. 3 Whitaker Construction/Alpine Highland**
14 **Segment III Sewer Line Project, Pay Request No. 4 Whitaker Construction/Alpine Highland Segment III**
15 **Sewer Line Project, and Change Order No. 1 Whitaker Construction/Alpine Highland Segment III Sewer**
16 **Line Project. Sean Fernandez seconded the motion. Those voting "Aye" – Mark Johnson, David Norman,**
17 **Spencer Kyle, Brian Braithwaite, Chris Condie, Jay Meacham, Keith Blake, David Bunker, Sean Fernandez,**
18 **Dale Ihrke, and Craig Whitehead. The motion passed with a unanimous vote.**
19

20 **Finance**

21 **1. Financial Report**

22 Joe Martin reviewed the financials with the Board. The financials show comparisons from a year ago. Last
23 year we had \$3.39 million in current portion of bonds payable and now it is \$0, due to the defeasance of the bonds.
24 We no longer have any bonds due in the next year. The only bonds left are the BAB Bonds, and currently we are
25 only paying interest on those with no principal payments until 2018. Joe said we are half way through the year. We
26 budget conservatively so personnel accounts are a little behind and impact fees are already at 100%. Jay Meacham
27 asked about checks paid out for seasonal employees. Jon said those checks are for part-time or temporary
28 employees who work for the District. We utilize some part-time employees in solids handling rather than hire full
29 time. We employ seasonal employees that work through a temporary service. They work out in the trailer and the
30 green waste. Jay asked about the check for consulting fees for South Davis Sewer District. Jon said when we joined
31 the Water Quality Research Council South District Sewer District invoiced us because the secretary of the group is at
32 that District.
33

34 **Action Items**

35 **1. Adopt the 2015 Tentative Amended Operations and Maintenance & 2015 Tentative Amended Capital**
36 **Budgets and the 2015 Amended Operations and Maintenance & 2015 Amended Capital Budgets**

37 Jon said there were a couple of last minute changes, due to the meeting held just prior to Board meeting. The
38 meeting was necessary for a couple of reasons. One was the settlement with the contractor on the plant expansion.
39 The other was the legal fees. There were also some small adjustments made. We want to make sure that the budget
40 complies with what the auditor is asking for. Jon said the wastewater treatment - O&M budget was \$14,566,400.00;
41 that was increased \$550,000.00. The adjusted amount of \$15,116,400.00 includes money received from the rate
42 increase. The \$550,000.00 change is based on monies collected through June. Due to increased flow and growth, it
43 looked like we would receive more than what we had projected. Jon said impact fees, green waste income, and
44 compost sales were adjusted based upon the actual revenues.

45 In the Administration accounts, the wages account was dropped by \$27,500.00. The \$27,500.00 was put into
46 the "other wages" account, which is for part time employees. This change was based on discussion after Brian
47 noticed some things that were not balancing quite right. Payroll taxes dropped by \$2,990.00 because as a result. The
48 big change is legal fees. That account was increased \$450,000.00, and is money we need to finish out the year. By

1 adjusting the wastewater revenue, it more than offsets that. We cannot pay the legal bills until this is adjusted. There
2 a few other minor adjustments.

3 In the operations accounts some money was moved around in some of the line items based on actual
4 expenditures. In the utility expense account, the power budget was decreased by \$50,000.00 and natural gas was
5 increased by \$50,000.00. Last year it was a light winter, this winter with some of the new buildings, we are going to
6 need more money in there. When the contractor had been running the plant, there were basins running and being
7 tested. We now have some of those basins turned off, so our power has decreased, therefore there is the money to
8 transfer.

9 In the maintenance accounts, a machine shop repairs was increased \$40,000.00. We had two influent pumps
10 fail, which is unusual. They usually run for a very long time. We had to send them back to Maryland to be repaired
11 and they are out of warranty. They are about \$20,000.00 each. That money came out of the capital budget.

12 *David Bunker left. 6:40 p.m.

13 In the collections accounts, \$10,000.00 was moved from sewer line repair to truck repairs-outside, based on
14 expenditures.

15 There was no change in the pretreatment accounts.

16 In the solids handling accounts, outside equipment repairs was decreased \$10,000.00; that money was put
17 into lubricants, oil supplies. We have always purchased that, but it had been coming out of fleet. As things have
18 increased, we want to track that cost for solids handling separately.

19 There were no changes in the Electrical/Instrumentation accounts.

20 In the Fleet accounts, \$10,000.00 was taken out of diesel fuel and put into outside vehicle repair. The diesel
21 fuel costs have not gone up and have maintained. Auto stops were put on the new diesel equipment, which has made
22 a huge difference. The vehicle purchasing/leasing account was increased \$20,000.00. In the past, we would have
23 money in the capital budget, and buy items such as golf carts. An item should be \$5,000.00 or more to be in the
24 capital budget and be depreciated. We might buy three or four golf carts at \$3,000.00 each and charge that to the
25 capital budget, but that is not appropriate, if they are not \$5,000.00 each. Therefore, we moved that money from new
26 equipment account in the capital budget to the vehicle purchasing/ leasing account in Fleet because the price of the
27 golf carts are only \$3,000.00 to \$3,100.00 each.

28 In the Laboratory accounts, there are some minor changes. There is an increase of \$20,000.00 in the wages
29 account, due to the retirement and cash out of our former lab director of 30 plus years.

30 In the Capital Budget, there is an increase of \$216,405.51 in Transfer from Capital Reserves, due to the
31 defeasance of the bonds. In the Bond Payment accounts, there is an increase of \$3,725,000.00 also due to the
32 defeasance of the 2010 A Series Bonds. The increase in the transfer from capital reserves was offset by the increase
33 in impact fee revenues. Instead of \$3,725,000.00, only \$216,405.51 has to come out of reserves to satisfy that. The
34 rest was offset by increases in impact fee revenues. Equipment Replacement and New Equipment were each dropped
35 by \$25,000.00. \$20,000.00 of that was put into the Fleet account vehicle purchase/leasing and other areas needed in
36 the budget.

37 In the Plant Expansion account, we had \$1,200,000.00 budgeted, we reached a settlement with the contractor
38 for \$1,124,000.00. This money was budgeted for other purposes, as we did not know what that settlement would be.
39 We left this account the same. It represents the settlement money, and money anticipated to pay Bowen, Collins to
40 finish the project and was offset by money we had in retainage. The other projects were originally contained in plant
41 expansion, but were broken out and identified for several reasons. Together the four projects total \$490,000.00.
42 Based on a suggestion from Dale Ihrke, the \$490,000.00 was taken out of the contingency project fund. That account
43 was \$1 million and dropped to \$510,000.00.

44 Spencer said that in his city the departments could go over on one line as long as they are under in another
45 line and the total for that department does not go over. He asked if some of these adjustments are just to make the
46 budget look cleaner, but are not necessarily legally required. Joe said it is really just for Jon, to show the detail; when
47 we pass the budget, we approve the summary. Jon said the budget accounts that legal fees are in would have been
48 exceeded.

1
2 **Chris Condie made a motion to Adopt the 2015 Tentative Amended Operations and Maintenance &**
3 **2015 Tentative Amended Capital Budgets and the 2015 Amended Operations and Maintenance & 2015**
4 **Amended Capital Budgets. Brian Braithwaite seconded the motion. Those voting “Aye” – Mark Johnson,**
5 **David Norman, Spencer Kyle, Brian Braithwaite, Chris Condie, Jay Meacham, Keith Blake, Sean Fernandez,**
6 **Dale Ihrke, and Craig Whitehead. The motion passed with a unanimous vote.**
7

8 **2. Purchase of 2016 Freightliner Cab/Chassis and Dump Bed**

9 Jon said we used the state bid and verified bids with the vendors. The bid from Freightliner of Utah was
10 \$105,964.00. We went out to bid for the dump body. From Godwin-Williamsen, we had a bid for a stainless steel
11 dump bed for \$27,516.00. The other regular dump bed was \$30,995.00 and another bid was \$36,083.00. We would
12 recommend getting the dump bed from Godwin-Williamsen along with the cab/chassis from Freightliner of Utah for
13 a total price not to exceed \$133,480.00.
14

15 **Brian Braithwaite made a motion to approve the purchase of a 2016 Freightliner Cab/Chassis,**
16 **model 114SD, for \$105,964.00 from Freightliner of Utah, and the purchase of a stainless steel dump bed from**
17 **Williamsen-Godwin for \$27,516.00 for a total price not to exceed \$133,480.00. Chris Condie seconded the**
18 **motion. Those voting “Aye” – Mark Johnson, David Norman, Spencer Kyle, Brian Braithwaite, Chris**
19 **Condie, Jay Meacham, Keith Blake, Sean Fernandez, Dale Ihrke, and Craig Whitehead. The motion passed**
20 **with a unanimous vote.**
21

22 **3. Purchase of a 2016 Ford Explorer**

23 This would replace a 1996 Ford F-150 truck. The low bid was from Ken Garff Ford of American Fork. Jon
24 said we also received a bid from Chevrolet. Dodge did not respond with a bid. Jon said he would recommend the
25 purchase of the Ford Explorer from Ken Garff Ford of American Fork. They are state bid contract pricing. Spencer
26 asked how far out the vehicle was. Jon said we would have it in the October-November period.
27

28 **Keith Blake made a motion to approve the purchase of a 2016 Ford Explorer from Ken Garff Ford of**
29 **American Fork, for a bid price of \$29,748.00. Jay Meacham seconded the motion. Those voting “Aye” –**
30 **Mark Johnson, David Norman, Spencer Kyle, Brian Braithwaite, Chris Condie, Jay Meacham, Keith Blake,**
31 **Sean Fernandez, Dale Ihrke, and Craig Whitehead. The motion passed with a unanimous vote.**
32

33 **4. Purchase of a 2015 Ford F-150 Truck**

34 This would replace a 2001 Dodge Ram truck. Jon he would recommend the purchase of this truck from Ken
35 Garff Ford of American Fork with the low bid.
36

37 **Chris Condie made a motion to approve the purchase of a 2015 Ford F-150 pick-up from Ken Garff**
38 **Ford of American Fork, for the bid price of \$28,628.16. Brian Braithwaite seconded the motion. Those**
39 **voting “Aye” – Mark Johnson, David Norman, Spencer Kyle, Brian Braithwaite, Chris Condie, Jay**
40 **Meacham, Keith Blake, Sean Fernandez, Dale Ihrke, and Craig Whitehead. The motion passed with a**
41 **unanimous vote.**
42

43 **5. Purchase of Replacement Composting Covers**

44 Jon said we have a Gore System and we have purchased Gore Covers. We had some warranty issues and the
45 covers are now out of warranty. We went out to get replacement covers; there are not a lot of people who bid on
46 these types of covers. There are about three vendors for the composting covers: we received bids from the two of the
47 top companies. The quotes we received were from Gore and MOR (Managed Organic Recycling). Gore came back
48 with a price of \$73,500.00 per cover with a 4-year warranty. They have to be shipped from Germany and it takes

1 quite a while to receive them. A company that is a subsidiary of GE makes the MOR covers. They have been in
2 business for quite a while; and have covers in use here in Utah. We checked their references. MOR came back with
3 price of \$68,500.00 per cover with a \$200.00 per cover delivery charge and a 5-year warranty. They come from the
4 west coast in a substantially shorter time. We are comfortable switching from Gore to MOR for several reasons.
5 Some are service related. Central Valley has MOR covers that have been in use for 7 years that have not
6 delaminated, and not had any trouble. North Davis and Central Davis also have the MOR covers. They have been in
7 this climate and are happy with the service. Gore has been a little sluggish with us since we have been in this odor
8 lawsuit. Jon said the MOR Covers were also certified with 95% VOC reduction in testing that was conducted in
9 2013. Jon said he is comfortable making the switch. If anything else, it can make Gore more competitive. It sounds
10 like MOR has a good service record. We are asking to purchase eight covers from MOR; we have the money in the
11 budget. Gore told us they think the delaminating of our covers was due to our weather conditions; the only other
12 time it has happened was in Ontario Canada. Jon said he thinks they may have just had a bad batch and we both may
13 have purchased from Gore about the same time. Their warranty used to be five years and now it is four.
14

15 **Keith Blake made a motion to purchase eight (8) MOR Composting Covers for \$68,500.00 each, plus**
16 **shipping costs of \$1,600.00, with a total purchase price not to exceed \$549,600.00.**
17

18 Brian said Jon mentioned earlier that the shipping cost was approximately \$200.00. Jon said yes the shipping
19 cost is an estimate and it could be a little less or a little more. Jon said he mentioned that in the meeting prior to
20 Board meeting, but forgot to mention here. It would probably be better to round the number up to \$550,000.00.
21

22 **Keith Blake amended the motion to purchase eight (8) MOR Composting Covers for \$68,500.00 each,**
23 **plus shipping costs with a total purchase price not to exceed \$550,000.00. Brian Braithwaite seconded the**
24 **motion. Those voting “Aye” – Mark Johnson, David Norman, Spencer Kyle, Brian Braithwaite, Chris**
25 **Condie, Jay Meacham, Keith Blake, Sean Fernandez, Dale Ihrke, and Craig Whitehead. The motion passed**
26 **with a unanimous vote.**
27

28 **Communication**

29 **1. Manager’s Report**

30 Jon said Board members could review the manager’s report.
31

32 **2. Laboratory Building Construction Progress Report No. 8**

33 The Board reviewed progress report No. 8
34

35 **3. Alpine Highland Segment III Sewer Line Progress Report No. 4**

36 The Board reviewed progress report No. 4
37

38 **Closed Session**

39 There was no closed session.
40

41 **Adjourn:**

42 **Chris Condie made a motion to adjourn. Dale Ihrke seconded the motion. All present “Aye”.**
43 **Meeting adjourned 6:58 p.m.**
44
45