

TIMPANOGOS SPECIAL SERVICE DISTRICT  
ADMINISTRATIVE BOARD MEETING MINUTES

APPROVED

June 18, 2015 6:00 p.m. Conference Room

Board Members:

Present: Tracy Wallace Mark Johnson Craig White Chris Condie  
David Bunker Spencer Kyle Brian Braithwaite Jay Meacham  
Keith Blake Sean Fernandez

Excused: Dale Ihrke David Norman Craig Whitehead

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

Others: Ken Spiers, Bowen, Collins & Associates  
Craig Carlile, Attorney

**Call to Order:**

Tracy Wallace, Board Chairman, called the meeting to order. 6:11 p.m.

**Public Comment**

There was no public comment.

**Approval of Minutes**

**1. Approval of the May 21, 2015 Administrative Board Meeting Minutes**

David Bunker said on pg. 2 line 14 it says, "David Bunker said the other bidders caught the three other doors on the plans." David Bunker thought it should say, "David Bunker asked if the other bidders caught the three other doors on the plans".

**Brian Braithwaite made a motion to approve the meeting minutes from the May 21, 2015 Administrative Board Meeting. Jay Meacham seconded the motion. Those voting "Aye" – Tracy Wallace, Mark Johnson, Spencer Kyle, Brian Braithwaite, Jay Meacham, Keith Blake, David Bunker, Craig White, and Sean Fernandez. Chris Condie abstained. The motion passed.**

**Consent Calendar**

**1. Pay Request No.7 Bud Mahas Construction/Laboratory Building**

**2. Pay Request No. 2 Whitaker Construction/Alpine Highland Segment III Sewer Line Project**

Pay Request No. 7 from Bud Mahas Construction is for \$196,175.00. Pay Request No. 2 from Whitaker Construction is for \$141,075.00. Keith Blake asked what the completion percentage is on the laboratory project. Jon about 74% of the actual work has been completed. There is about 22 % of actual work completed on the Alpine/Highland Sewer Line Project. Chris Condie said from the minutes of the last meeting, he understood the cabinetmaker for the lab went out of business; that seemed like a reasonable justification for a time extension. Chris

1 was not sure about the issue on the aluminum doors. Jon said Brandon Wyatt explained that in the meeting. It had to  
2 do with the difference in what was specified and what was called out on the bid sheet. They were different doors  
3 from the others and the contractor missed those in the count. Jon said there was discussion whether they should have  
4 missed them or not. The contractor came back with a change order to change those and the Board approved it.  
5

6 **Chris Condie made a motion to approve the Consent Calendar, which includes Pay Request No.7 Bud**  
7 **Mahas Construction/Laboratory Building, and Pay Request No. 2 Whitaker Construction/Alpine Highland**  
8 **Segment III Sewer Line Project. David Bunker seconded the motion. Those voting “Aye” – Tracy Wallace,**  
9 **Mark Johnson, Spencer Kyle, Brian Braithwaite, Chris Condie, Jay Meacham, Keith Blake, David Bunker,**  
10 **Craig White, Sean Fernandez. The motion passed with a unanimous vote.**  
11

12 Tracy Wallace asked David Barlow to show the District’s website to the Board. David Barlow showed an  
13 outline of the new website and asked for input from Board members. Keith Blake asked what we are trying to do  
14 different with the new website. David Barlow said there would be new information on the new website, like the  
15 average flows of each city, a District map, the standards and specs, and forms. Chris Condie asked if we are keeping  
16 the same URL. David Barlow said no, the new URL would be TIMPSSD.org, hosted by Govoffice.com, which is a  
17 private company. Mark said the URL TSSD is already being used.

18 Keith Blake asked if there would be contact information for emergencies. Jon said there has been discussion  
19 about having the city contact names and numbers. Jon said there are emergency procedures for the District and  
20 facilities. The cities need to have their own emergency procedures because they own their collection systems. There  
21 are ways we can assist them with our equipment; some cities have taken advantage of this in the past. We could  
22 include that information so they know it is available. Tracy said emergency contact information for the cities could  
23 be included on the website. We have internal contacts between the cities and the District. Jon said we could include  
24 the District’s on-call number so we could respond and contact someone in the city. David Bunker said every city  
25 should have an after-hours number.

26 Brian said he believes no website is ever a finished product; he is supportive of pushing it out there. What it  
27 has now is better than what the current website has. However, if it takes the focus off getting it cleaned up, by  
28 putting it out there, that is a mistake. Brian would like to see David Barlow come back next month and talk about the  
29 improvements that have been made. Tracy said when it goes live, staff could send out an email to Board members so  
30 they can look at it and get back with any questions or concerns. David Barlow said he could send out the link to the  
31 non-live version for board members to review. Tracy said he would like it more finalized than it is now.

32 Mark said Toy Soldiers of San Diego own the website tssd.com, but their official website is  
33 sdsoldiers.com. Mark wondered if they would be interested in selling tssd.com. If someone does not know our  
34 website, the obvious name to try would be tssd.com. Mark said he thought it is worth a phone call or an email to see  
35 if they are interested in selling tssd.com at a low cost.  
36

## 37 **Finance**

### 38 **1. Financial Report**

39 Jon reported on the financials as Joe was out of town. There were quite a few blanks on the impact fee report  
40 because it is only the 18<sup>th</sup> of the month and the cities still have the rest of the month to turn those in. Chris Condie  
41 said the report shows Lehi reported \$606,645.00 for the month of April. Chris asked if that was catching up for  
42 something or if that was for one month. Jon said they could pull the reports but it is color-coded as if it is one month.  
43

44 Tracy said wastewater treatment income went up by \$1 million from 2014 to 2015. Jon said 2014 did not  
45 reflect the rate increase. Jon said to date we have collected about \$800,000.00 from the increase; the rest could be  
46 attributed to growth. Jon said the laboratory wages are at 65% because a long-term employee retired and was cashed  
47 out.

48 Brian asked why the disposal to North Pointe fluctuates up to 100%. Jon said some of that is related to  
operational considerations at the District and at North Pointe. If we are changing belts, we may dispose of more, the

1 waste coming in can vary; it also depends on North Pointe's schedule and the trucks they have that are hauling. Jon  
2 said he likes to see it under \$30,000.00 a month; a few months have been over that and then some months have been  
3 under \$20,000.00.

4 Brian asked if there was a reason the repairs and maintenance account in operating expenses, is only 11.8%.  
5 Jon said we could look into that, some of that is seasonal. The mixers and bioreactors are done in the fall. That  
6 account typically runs a little ahead; it should be closer to 20%. Jon said he would talk to Joe about it. Brian said  
7 the fleet account is only 14.6%. Jon said later in the year we pay on the program for the backhoe and loaders. Jon  
8 said we have been successful in lowering some of those costs by the programs we now have, and keeping the  
9 equipment under warranty. We could be seeing a reduction in overall spending because the more new machines we  
10 have, the fewer repairs we have.

11 Brian said the last couple of months the Board has discussed District staff speak with city staff regarding a  
12 way to validate the impact fees collected by the cities and remitted to the District. Brian said there was supposed to  
13 be a follow-up this month. Jon said Joe is out of town; there is a letter drafted and Joe and has been updating city  
14 contact information to send that letter. Jon said he thought it should be ready to send out in the next week or two. If  
15 a follow-up meeting is needed, we can schedule that.

## 16 17 **Action Items**

### 18 **1. Approval to Purchase Vehicle – Roll Off Truck on State Contract**

19 Jon said Warner Truck Center has state bid. The advantage with this is that the existing roll-off truck we  
20 currently have is the same type of roll off assembly. That would allow us to use our existing cans with this truck.  
21 We are finding more and more of a need with the schedules of North Pointe, the can trucks are effective if there are  
22 days we cannot haul. This allows us to have the trucks ready to go, and have one under the belt and one on the road.  
23 Two of our dump trucks are no longer road worthy. One was a cast off from American Fork City and one the District  
24 has had since 1996. That leaves us two vehicles, the freightliner we purchased a couple years ago and the can truck.  
25 It gets tight out there at times. This was put in the budget so we could purchase another one this year. Jon said  
26 regardless of what happens with composting, the hauling is never going to go away. Those other two trucks will  
27 eventually have to be replaced. Keith Blake asked if we have increased what we are hauling to North Pointe. Jon  
28 said the only increase in hauling we see now, would be due to growth. The nature of the solids can change a little.  
29 That has to do with the condition of the sludge, which is hard to control. Keith Blake asked what North Pointe does  
30 with the bio-solids. Jon said, after we have tested and hauled to North Pointe, the bio-solids are put in trucks with  
31 other solid waste and hauled up to Wasatch Landfill in Tooele County. Chris Condie asked if this is approved  
32 tonight, would we submit an order. Jon said yes, we need to get the ball rolling; it would be around September  
33 before we get the truck.

34  
35 **Brian Braithwaite made a motion to approve the purchase of a 2016 Freightliner Cab and Chassis**  
36 **with Galbreath Roll Off System as per the State Purchasing Contract from Warner Truck Centers for the**  
37 **amount not to exceed \$159,468.00. David Bunker seconded the motion. Those voting “Aye” – Tracy Wallace,**  
38 **Mark Johnson, Spencer Kyle, Brian Braithwaite, Chris Condie, Jay Meacham, Keith Blake, David Bunker,**  
39 **Craig White, Sean Fernandez. The motion passed with a unanimous vote.**

### 40 41 42 **2. Approval of Resolution 2015-01 Defeasance of the 2010 A Series Bonds**

43 Jon said the board has discussed this before. Jon said the language in this defeasance resolution is almost the  
44 same to the defeasance resolution approved last year. This would take \$4 million out of reserves; pay the escrow and  
45 the cost of issuance. It reduces our debt and cash on hand, and increases our debt to service ratio. This is  
46 advantageous to the District, as there are other actions we want to take, and this puts us in a position to move ahead.  
47 If this resolution is approved, we can get this rolling and have a closing date of June 30, 2015. We do not make  
48 interest and principal payments for 2016 and 2017, which could really help in those years depending on what the

1 Board decides to do with the user rates. This would leave us with the 2010 B Series Bonds. It puts us in a position to  
2 make some good decisions on what our fees should be. Keith Blake asked the estimate of what we would save on  
3 interest. Jon said because the bonds are not callable until 2017, we will not save. We will pay off the escrow and  
4 cost of issuance, which is \$37,000.00. The money in escrow will be placed in an interest bearing account, so interest  
5 earned there will offset some fees. Brian said they would be callable in 2017, but would not end until 2024 -2025.  
6 Therefore, we are saving about 7 years of interest that we would have paid if we continued and did not do anything.  
7

8 **Chris Condie made a motion to approve Resolution 2015-01 providing for the payment, from available**  
9 **District funds, of the District’s Sewer Revenue and Refunding Bonds, Series 2010 A; and related matters, not**  
10 **to exceed \$4.1 million. Keith Blake seconded the motion. Roll-call vote:**

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12	<b>Jay Meacham-yes</b>	<b>Tracy Wallace-yes</b>	<b>Sean Fernandez-yes</b>
13	<b>Keith Blake-yes</b>	<b>Craig White-yes</b>	<b>Chris Condie-yes</b>
14	<b>David Bunker-yes</b>	<b>Brian Braithwaite-yes</b>	<b>Mark Johnson-yes</b>
15	<b>Spencer Kyle-yes</b>		
16			

17 **The motion passed with a unanimous vote.**

## 18 **Communication**

### 19 **1. Manager’s Report**

20 The pay requests were approved in the consent calendar. Due to the delay of the cabinets on the laboratory  
21 project, the contractor committed to do all the work possible, while waiting for the cabinets. They are doing that and  
22 have actually stepped up; there is a lot of activity going on over there. The board approved the purchase for a roll off  
23 truck. There is also a dump truck, and a couple small vehicles in the budget that will come back for approval from  
24 the board.  
25

26 When the plant upgrade was done, some equipment was pre-purchased. One of those pre-purchased items  
27 was the high-speed blowers that came from K-Turbo out of South Korea. They were a substantial investment. At  
28 that time, two high-speed blower manufacturers were banging heads. South Valley Sewer District went with blowers  
29 from Neuros. We were bidding close to the same time and received a very favorable bid from K-Turbo, as they did  
30 not want us to go with Neuros. There were concerns at the time about dealing with people in South Korea and  
31 whether they would stay in business. It was determined after discussion that we could not look away from the  
32 favorable bid. The blowers were purchased and installed. The buildings were built smaller than they would have  
33 been for the conventional type of centrifugal blowers.

34 K-Turbo has had some problems and there have been problems getting support. In a recent visit from a  
35 service person out of Chicago, we learned that K-Turbo is closed and their CEO is in jail. Some employees have  
36 broken off and are trying to get something going; we are researching that. There is also Neuros; the advantage with  
37 them is we would not have to rebuild the buildings. We are looking into what we can do. K-Turbo sold their  
38 business to Aerzon, a German company. Aerzon would not service us while we had a warranty with K-Turbo.  
39 Aerzon is also difficult to deal with, their prices are high and they were relying on parts from K-Turbo. We are  
40 trying to sort out what we can do. We have two blowers down that do not run at all.

41 Craig White said with the Neuros blowers, they have replaced every blower, fourteen of them, at least once.  
42 Some have been replaced three or four times. Craig White said they have all been under warranty, and they are now  
43 paying \$400,000.00 a year to maintain the warranty on them. Jon said we have something unique; we have two  
44 different sizes, we have 12 of the larger ones (400hp), the only 12 in the world. Jon said we look back and see those  
45 concerns, but we are doing what we can. We are hoping somebody will step up. The two K-Turbo representatives in  
46 the United States would like to stay in this country and want to do the work, but do not know where to get the parts.  
47 We have had certain parts we have replaced multiple times, but we have not replaced all of our blowers. We have  
48 actually had some fair luck with some of them. Programming has been an issue. When K-Turbo came to the United

1 States, they collaborated for the first time with a company in South Carolina. There was some incompatibility  
2 between how they manufactured in Korea and what we do here. There are some other blowers around; there is a  
3 company in Houston, named HIS. They are a clone company, and build parts for large brand name blowers and  
4 pumps. We are hoping to get some interest there. We have been switching our ditches and are not at full capacity,  
5 which gives us a little bit of wiggle room. Two blowers down is a concern, but it is not going to cripple us. If we  
6 were to lose two more and could not get them replaced, that could be a problem. Keith asked what the purpose of  
7 the blowers was. Jon said they provide the air for the bioreactors.

8 The plant was in compliance for the month of May with an average daily flow of 16.08 MDG and a peak  
9 daily flow of 19.0 MDG. Effluent Phosphorous was below 1mg/L again and Effluent Nitrogen was 1.52 mg/L. We  
10 are happy with that. We have started with our research and have paid our dues to the Water Research Quality  
11 Council. Dr. David Richards has been down here on the lakeshore looking for different species of muscels to find if  
12 they even exist, that directs us on what studies we do for ammonia and total nitrogen. We are setting up contracts  
13 with specialized labs so they can do the work. Dr. Theron Miller has a draft of his research plan and he will be  
14 getting that to us. Jon said Dr. Miller is working with the State of Utah. The State has kicked up their efforts to do  
15 their TMDL on the lake.

16  
17  
18 **2. Laboratory Building Construction Progress Report No. 6**

19 The Board reviewed progress report No. 6.

20  
21 **3. Alpine Highland Segment III Sewer Line Progress Report No. 2**

22 The Board reviewed progress report No. 2

23  
24 **4. Budget Amendment**

25 Jon said we used to wait to amend our budget until the end of the year. The auditors do not want us to do  
26 that anymore. A couple of items we have hit will need to be amended to put more money in those. One is legal fees,  
27 and some that we need money moved from one account to another. We need to set a date; July is usually busy, so  
28 maybe the August meeting would be better. It is something we should not wait on, in order to maintain compliance  
29 with the auditor. Tracy said that if everything looks good, we could set the public hearing date at July's meeting to  
30 be held at the August meeting.

31  
32 **5. Update on Odor Litigation – CCAP VS TSSD- Craig Carlile**

33 Craig Carlile said both sides in the odor litigation have filed motions. They are public record so there is no  
34 need to go into closed session. The plaintiff, CCAP, filed three motions. We filed four motions. The pre-trial prep is  
35 happening now. Those will be briefed by July 7, 2015 and the court will have a hearing on the motions. Depending  
36 on how the motions come out, the case will be over, reduced, or proceed. After the court makes its decision, we will  
37 know how long the trial will last. Craig Carlile said right now it scheduled for two weeks.

38  
39 **Closed Session**

40 There was no closed session.

41  
42 **Adjourn:**

43 **David Bunker made a motion to adjourn. Chris Condie seconded the motion. All present "Aye".**  
44 **Meeting adjourned 7:07 p.m.**