

TIMPANOGOS SPECIAL SERVICE DISTRICT
ADMINISTRATIVE BOARD MEETING MINUTES

APPROVED

May 21, 2015 6:00 p.m. Conference Room

Board Members:

Present: Tracy Wallace Mark Johnson Craig Whitehead Craig White
 David Bunker Spencer Kyle Brian Braithwaite Dale Ihrke
 Jay Meacham Keith Blake *David Norman

Excused: Sean Fernandez Chris Condie

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
 Brandon Wyatt, Bowen, Collins & Associates

Call to Order:

Tracy Wallace, Board Chairman, called the meeting to order. 6:02 p.m.

Public Comment

There was no public comment.

Approval of Minutes

1. Approval of the April 16, 2015 Administrative Board Meeting Minutes

Brian Braithwaite made a motion to approve the meeting minutes from the April 16, 2015 Administrative Board Meeting. Dale Ihrke seconded the motion. Those voting "Aye" – Tracy Wallace, Mark Johnson, Spencer Kyle, Brian Braithwaite, Jay Meacham, Keith Blake, David Bunker, Craig White, Dale Ihrke, Craig Whitehead. The motion passed with a unanimous vote.

Consent Calendar

- 1. Pay Request No. 6 Bud Mahas Construction/Laboratory Building**
- 2. Change Order No. 3 Bud Mahas Construction/Laboratory Building**
- 3. Pay Request No. 1 Whitaker Construction/Alpine Highland Segment III Sewer Line Project**
Pay Request No. 6 from Bud Mahas Construction is for \$209,130.00. Change Order No. 3 from Bud Mahas Construction is an increase of \$13,233.00 with a time extension request substantial completion date from June 15, 2015 to August 7, 2015. Pay Request No. 1 from Whitaker Construction is for \$306,427.25
Keith Blake asked the basis for the change order. Jon said it was engineer initiated. It is broken down with large costs due to condensate drain lines and issues with exterior doors. There is also a request for time extension in

1 the completion date. Brandon said the request for a time extension is due to the cabinet manufacturer going out of
2 business. Lab cabinets are a specialized industry, if a manufacturer goes out of business the other manufacturers
3 have to pick up the slack. The contractor is now at the back of the line, but has done everything he can to get them
4 here. Brian asked if this would have any impact on the critical path. Brandon said yes, the original substantial
5 completion date was June 15, 2015, and the manufacturer could not get them made and shipped here until the end of
6 June. The contractor will get as much done as he can by the June 15th deadline, with the exception of the cabinets
7 and work that relies on those being in, such as the flooring, finish electrical and some plumbing.

8 Brandon Wyatt said the issue with the exterior doors was an oversight on the specifications. The contractor
9 did not get them ordered because there are two different styles of aluminum doors but only one style of doors in the
10 specifications. It was something that was not in the original bid and is not being paid for twice. The specifications in
11 the document were for an aluminum storefront door. The architect felt the other doors fell under that specification,
12 but after looking, they did not. Brandon said when the contractor gave the spec to the supplier he thought they were
13 covered somewhere else in the specifications. Therefore, three doors were missed in the bid all together.

14 David Bunker asked if the other bidders caught the three other doors on the plans. Brandon said maybe, that
15 is hard to go back and say. Brandon said, as he understands it, when a contractor bids a project he gives the supplier
16 a spec and presumes all of the doors in that spec are going to be supplied. When it came down to it the three exterior
17 doors, were not covered under that spec. The supplier did not include them because they were not part of that. David
18 Bunker asked if the doors were referenced the correct way on the plan set where it references the spec for the door.
19 Brandon said the plan set showed the doors; it was a problem with the specification where these three doors were not
20 covered as aluminum and storefront entrances specification. They are a different style of door. There is a \$200.00
21 credit per door, with the cost of the new hollow metal doors as a replacement, since they were not in the bid.

22 Brandon said this change order moves the substantial completion date from June 15, 2015 to August 7, 2015.
23 It changes the final completion date from July 15, 2015 to August 15, 2015. The net change in the schedule is four
24 weeks. Dale Ihrke asked if the contractor had asked for any additional compensation because of the time extension.
25 Brandon said no, we have told them this is not a compensable delay. David Bunker asked if the contractor has been
26 submitting a project schedule along the way. Brandon said yes they have. David Bunker asked when they gave
27 notification that the cabinets were a critical path. Brandon said we were notified that the cabinets were an issue about
28 a month ago. They have been working with the manufacturer during that time to ascertain when and how to get
29 cabinets.

30 Jon said there was a lot of discussion on the change order and the \$200.00 credit was a disappointment. In
31 fairness to the contractor, this is the first glitch there has been. Jon said they have confirmed that the cabinet
32 manufacturer is out of business. Because it is a specialty cabinet and they had no prior agreement, they are going to
33 get those cabinets when the manufacturer can furnish them. The thing we do now is ride them hard to make sure
34 everything else is done. Jon said the way it affects us is the research on the lake. Our new laboratory director is on
35 board and this may put us back a couple months. As far as the regular process testing, there is no impact, it would be
36 the specialty testing it would affect.

37
38 **Craig White made a motion to approve the Consent Calendar as presented. Keith Blake seconded**
39 **the motion. Those voting "Aye" – Tracy Wallace, Mark Johnson, Spencer Kyle, Brian Braithwaite, Jay**
40 **Meacham, Keith Blake, David Bunker, Craig White, Dale Ihrke, Craig Whitehead. The motion passed with a**
41 **unanimous vote.**

42 43 **Finance**

44 **1. Financial Report**

45 Joe Martin presented the financials. Joe said a new statement is included in the financials. It is a statement of
46 revenues, expenses and changes in net position. It shows where we are compared to last year at the same time. Joe
47 said expenses and revenue accounts are right where we would expect them to be based on how we budget. David
48 Bunker asked how the impact fees are looking. Joe said we are at 36% so we are a little ahead of where we

1 budgeted. The impact fee report shows \$2.1 million in revenue and that is a cash basis; it shows what we collected in
2 January for December, whereas those December revenues were actually last year's revenue. It shows what has been
3 collected so far in May. We have collected all impact fees for May except American Fork, which they still have until
4 the end of this month. That is why there is a discrepancy between the \$2.1 in the finance statements and \$1.2 in
5 impact fee revenue for the end of April.

6 Brian asked if staff has contacted city staff, as the board discussed last month, regarding a way to validate
7 impact fee numbers. Joe said he has not talked to any cities but will add that to our follow-up for next month. Brian
8 said that was one of the key things to come out of the audit, was to make sure we have some way of validating and
9 verifying the numbers. Brian said we need District staff to start the conversation with the cities and get feedback on
10 that. Brian said at last month's meeting he had questions about some numbers and expressed appreciation to Joe and
11 Shannon for straightening it out and getting back to him.

12 13 **Action Items**

14 There were no action items.

15 16 **Communication**

17 **1. Manager's Report**

18 *David Norman arrived. 6:30 p.m.

19 Jon said the plant was in compliance for the month of April with an average daily flow of 16.74 MDG and a
20 peak daily average flow of 18.80 MDG. We are seeing some interesting numbers as we play with the facility. The
21 effluent phosphorus is right at 1mg/L; which is the limit. The last two or three results we have been around .67
22 mg/L. That is with five basins running and other things going on. As part of our training contract, we have a process
23 consultant coming out. The District is participating in the DWQ's optimization program. We are going to try to kill
24 two birds with one stone, using the consultant and satisfying the state requirements to see what we can really do as
25 far as biologically removing the phosphorus and nitrogen. We will try to find a way to keep the phosphorus level
26 down below 1 mg/L. Jon said he thinks it is temperature dependent; we see times when it drops down without any
27 changes to the process. The phosphorus limit of 1mg/L is a yearly average. Indications are we should be able to fine-
28 tune this and not have any issues with going over that limit. These numbers are encouraging. The effluent total
29 nitrogen is 1.71mg/L. The influent ammonia is high compared to domestic, but we pretty much know where the
30 sources are and can address those. The effluent ammonia going out at 0.62 mg/L is high for us. Typically, it is below
31 0.5 mg/L, which is the minimum detection level. As far as nitrogen goes, we are not going to have any issues at all.

32 David Bunker asked if the high influent ammonia is from commercial. Jon said yes, we have been working
33 with higher dischargers and they have been on notice for several years. Jon said the local limits, which were revised
34 and approved, have been sent out to the cities. Jon said those local limits should be incorporated into each city's
35 sewer use ordinance. The State DWQ will work with each city independently. When we are officially given the
36 limit on nitrogen and phosphorus, we will look at our local limits again and revise those numbers. Once we revise
37 those numbers and have a new limit on ammonia, it will be an enforceable limit. We can then inform those
38 commercial users they cannot discharge over that amount. Domestically, we do not have an issue. We just received
39 our new discharge permit last week, so we have our permit renewed for a five-year period. We are in good shape for
40 that time period. As those implementation dates get closer, we will make sure we are compliant. The research we
41 are involved in will help solidify the soundness in the limits.

42 43 44 **2. Laboratory Building Construction Progress Report No. 5**

45 Jon said other than what was discussed with the cabinets, they have been doing well. We hired a Laboratory
46 Director, Michael Scheetz, he has an engineering degree, a degree in biochemistry, and many years of experience.

1 **3. Alpine Highland Segment III Sewer Line Progress Report No. 1**

2 Jon said this project has challenges and is in one of the busiest areas. So far, the contractor has been very
3 responsive and is making good progress. We have been working with American Fork City and they have been very
4 helpful. It is going well, and the project is on schedule.

5
6 **David Bunker made a motion to go into closed session to discuss pending litigation. Brian Braithwaite**
7 **seconded the motion. Those voting “Aye” – Tracy Wallace, Mark Johnson, David Norman, Spencer Kyle,**
8 **Brian Braithwaite, Jay Meacham, Keith Blake, David Bunker, Craig White, Dale Ihrke, Craig Whitehead.**
9 **The motion passed with a unanimous vote. 6:43 p.m.**

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11

12 **Closed Session**

13 **David Bunker made a motion to go out of closed session and back into regular session. Keith Blake**
14 **seconded the motion. All present “Aye”. Motion passed. 7:24 p.m.**

15

16 **Adjourn:**

17 **Spencer Kyle made a motion to adjourn. Brian Braithwaite seconded the motion. All present “Aye”.**
18 **Meeting adjourned 7:25 p.m.**

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