

TIMPANOGOS SPECIAL SERVICE DISTRICT  
ADMINISTRATIVE BOARD MEETING MINUTES

APPROVED

November 15, 2018 6:00 p.m. Conference Room

Board Members

Present:

David Bunker	Jay Meacham	Sullivan Love
Lynn Walker	Blaine Thomas	Mark Christensen
Brian Braithwaite	Mack Straw	Craig White
Dale Ihrke	Chris Condie	

Excused:

Commissioner Bill Lee Chandler Goodwin

District Staff:

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

Others:

Brandon Heidelberger, Brown and Caldwell  
Brandon Wyatt, Bowen Collins & Associates  
Mike Chambers, Hansen, Allen & Luce  
Tavis Timothy, Hansen, Allen & Luce  
Jim Goodley, JUB Engineers  
David Sanderson  
Bruce Smith

**Call to Order**

David Bunker, Board Chair, called the meeting to order. 6:01 p.m.

**Public Hearing**

**1. Hearing on the 2018 Amended Operations and Maintenance & 2018 Amended Capital Budgets**

**David Bunker, Board Chair, opened the Public Hearing on the 2018 Amended Operations and Maintenance and 2018 Amended Capital Budgets.**

David Bunker asked if there were any comments. There were no comments.

**David Bunker, Board Chair, closed the Public Hearing on the 2018 Amended Operations and Maintenance and 2018 Amended Capital Budgets.**

**2. Hearing on the 2019 Tentative Proposed Operations and Maintenance & 2019 Tentative Proposed Capital Budgets**

**David Bunker, Board Chair, opened the Public Hearing on the 2019 Tentative Proposed Operations and Maintenance and 2019 Tentative Proposed Capital Budgets.**

David Bunker asked if there were any comments. Dave Sanderson said in 2014 the District Manager sent a letter out to the cities, notifying of a rate increase of about \$3.00/household. Mr. Sanderson handed that letter out to the board members along with a page from the District's financials. Mr. Sanderson said there had been a rate study done at the time by an engineering firm and the reason for the increase was due to the debt service ratio. The District had a 1.00 and 1.10 debt service covenant. Mr. Sanderson said the District's debt service ratio is now 6 x coverage.

1 It is obvious the District is overcharging the residents. Mr. Sanderson said he believes it is time to roll back the  
2 increase that happened in 2014 or the debt ratio will increase. Mr. Sanderson said the District has done some things  
3 to decrease the ratio, like defeasing some bonds, but defeasing the bonds have not done any good because the rate has  
4 not been lowered. Mr. Sanderson said defeasing the bonds actually cost money, because they were defeased earlier  
5 than the call date. He would encourage the board to look at that and if they feel so desired, lower the rates. David  
6 Bunker said this has been a topic of discussion several times and will continue to be something we will consider and  
7 look at. Brian said we are actually moving forward with studies, so we can identify what the proper rate is, and we  
8 can make sure we get that in place. It is moving forward, it is just not finalized yet. We are planning on making  
9 some adjustments one way or the other based upon what we find out.

10 **David Bunker, Board Chair, closed the Public Hearing on the 2019 Tentative Proposed Operations and**  
11 **Maintenance and 2019 Tentative Proposed Capital Budgets.**

12  
13 **Public Comment**

14 There was no public comment.

15  
16 **Approval of Minutes**

17 **1. Approval of the September 28, 2018 Board Retreat Minutes**

18  
19 **Chris Condie made a motion to approve the minutes of the September 28, 2018 Board Retreat. Lynn**  
20 **Walker seconded the motion.**

21 Dale Ihrke said there was one correction on page 2 line 42, of the retreat minutes. Dale said he had stated that  
22 there are “disadvantages” rather than “advantages” to it.

23 **Chris Condie and Lynn Walker accepted the correction. Those voting “Aye” – David Bunker, Mark**  
24 **Christensen, Mack Straw, Brian Braithwaite, Blaine Thomas, Lynn Walker, Chris Condie, Dale Ihrke, Craig**  
25 **White, Jay Meacham, and Sullivan Love. The motion passed unanimously.**

26  
27 **2. Approval of the October 18, 2018 Administrative Board Meeting Minutes**

28 Chris Condie said he would be abstaining from voting on the October 18, 2018 Board Meeting Minutes as he was  
29 not in attendance at the meeting.

30  
31 **Brian Braithwaite made a motion to approve the minutes of the October 18, 2018 Administrative Board**  
32 **Meeting. Sullivan Love seconded the motion. Those voting “Aye” – David Bunker, Mark Christensen,**  
33 **Mack Straw, Brian Braithwaite, Blaine Thomas, Lynn Walker, Dale Ihrke, Craig White, Jay Meacham, and**  
34 **Sullivan Love. The motion passed unanimously.**

35  
36 **Communication**

37 **1. Hansen, Allen & Luce – District Flow Meter Study Report**

38 Mike Chambers, Hansen Allen & Luce, gave a report on the Flow Meter Study. Mike said they did an analysis on  
39 the flow meters throughout the system. There were two parts, one was the flow meter evaluation, and the other was  
40 the billing and data collection method. They visited every flow meter, took measurements to verify the flumes are  
41 level, and looked at capacity to compare that to projected capacity. Most of them displayed no issues at all. There  
42 were three of them that are almost at their peak; Alpine, Cedar Hills 1, and the Plant Influent. The recommended  
43 action for the Alpine Flume, increase the flume size, when measured peak flows approach flume capacity of 1,300  
44 gpm. Recommended action for the Cedar Hills 1 flume is to monitor peak flows, if they exceed 500 gpm consider  
45 increasing size of the flume. The Influent Plant Flume requires two actions in the future; to remove the smaller  
46 nested flume and recalibrate, and to increase the amount of approach length or other devices added to the channel  
47 which would straighten the flow before it goes through the flume. There were three flumes, that are exceeding flow;  
48 Eagle Mountain, Pleasant Grove 2, and Suncrest. The recommended action for those are to remove the smaller  
49 nested flume and recalibrate for larger flume settings. The Lehi 1 needs the sensor relocated to the correct location.

1 Sullivan asked if we have history of when these were installed and the actual condition of the flume itself to be  
2 able to determine life span. Mike Chambers said it is hard to see the bottom of them, but for the most part they all  
3 looked in good condition. Jay said he understands it is hard to detect infiltration between meters, but did the flows  
4 seem reasonable. Mike said they did not really look at it too much, but there is a concern whether there is accounting  
5 for infiltration between flow meters. David Barlow said there have been infiltration studies done, but there have also  
6 been improvements done after those studies. Dale asked if it make any sense to do verification of the flows at these  
7 meter locations. David Barlow said we have a third party come in and calibrate the meters quarterly. Dale said more  
8 of an independent flow measurement, to verify what the accuracy is. Mike said they have done that elsewhere, put  
9 another flow meter in the pipe to track their flume measurements. Dale said it would be useful and worthwhile to do  
10 if you are trying to find out the accuracy of your meters. David Bunker asked if we use any of the readings from the  
11 plant influent meter to extrapolate flow data from other lines. Rich said we do not use it in calculations to charge  
12 cities.

13 Mike said the second part of the study looked at the billing methods and data collection. As part of that, they  
14 contacted several other sewer districts in the area that have similar situations to TSSD. Two of them have flow  
15 meters, the other two do not. NDS, they count the number of residential connections. They have a fee per  
16 residential connection and other fees if you are a significant user, or industrial user. CWSID charges based on  
17 population. CVWRF, and SVWRF both have flow meters where they collect the data. Neither one of them have the  
18 situation where flow is coming from one city and passing through a flow meter from another city. TSSD is a little  
19 unique in that aspect. SVWRF has a very strict policy on how they want their flow meters designed. They do a test  
20 of the flow meter at Utah State Water Research Lab before it is installed to verify it will measure flows correctly.  
21 CVWRF measure their flows daily and record. An average is taken for the month and multiplied by the number of  
22 days and then they collect the difference from the start of the month to the end of the month. Mike said they came to  
23 the conclusion that TSSD's billing method is fair. There are a few minor recommendations, but they think it is a  
24 good system.

25

## 26 **Consent Calendar**

### 27 **1. 2019 Board Meeting Schedule**

28 The Board reviewed the schedule. Dale Ihrke said he would not be able to attend the October 17, 2019 meeting,  
29 as he would be out of town. Brian said everyone is setting their calendar, if we change a date, it may conflict with  
30 something else. Unless we have a significant number of people not able to attend we should leave the dates  
31 unchanged. David Bunker agreed and said he does not see any other conflicts with these dates.

32 **Chris Condie made a motion to approve the Consent Calendar. Dale Ihrke seconded the motion. Those**  
33 **voting "Aye" – David Bunker, Mark Christensen, Mack Straw, Brian Braithwaite, Blaine Thomas, Chris**  
34 **Condie, Lynn Walker, Dale Ihrke, Craig White, Jay Meacham, and Sullivan Love. The motion passed**  
35 **unanimously.**

36

## 37 **Finance**

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

39 Joe Martin said he added 3 corrected pages of the financials to dropbox. They show September 2017 compared to  
40 September 2018, to replace an error in financials comparing August 2017 to September 2018. Joe said since May  
41 we have been tracking less income in wastewater, this is due to the reduction in the Micron flow. Chris Condie said  
42 he thought we approved additional flow. Joe said it was a decrease in flow. Joe said we wondered why revenues  
43 were low, we looked in to it and it was a significant reduction in flow by Micron. David Bunker said IM Flash came  
44 to the board because they were going to exceed their allotted flow. Rich said IM Flash thought they may exceed for  
45 a month or two while they made some changes; they came close to exceeding but stayed within the limits. Brian  
46 said they were making a change in their process and during that change it would be an increase in flow, but that  
47 change in process actually results in a decrease in flow. Joe said most likely we will finish with less revenue than we  
48 did a year ago.

49 Chris Condie asked what we pay Aim Fund Services for on the Check Register. Shannon said that is for 401k  
50 loan payments. Chris said the monthly service fee to American Fork City was \$877 and Lehi's was \$37, what is the

1 monthly service fee we are charging. Joe said it is the cities charging the District for water. Chris Condie said the  
2 impact fees for 2018 look like they are less or slower. David Bunker said he doesn't think it is slower it, is a  
3 different rate. Joe said yes, the revenues are down because of the impact fee rate change.

4 Blaine Thomas said they worker's compensation is at \$6,900 for one month. Blaine asked if we have had any  
5 worker's compensation claims here this last year. Rich said we have had about four. Blaine said that rate was pretty  
6 high.

7  
8 **Action Items**

9 **1. Change Order No. 1 Westside Interceptor Cleaning/Inspection**

10 This change order is a decrease. Rich said the Westside Interceptor Project is now complete. In the RFP we  
11 projected certain bid quantities and the actual quantities went up or down and the overall dollar value went down by  
12 \$4,711.44. David Bunker said if the change order is a decrease he doesn't know that we need an action item for that.

13  
14 **2. Pay Request No.1 Westside Interceptor Cleaning/Inspection – National Power Rodding Corp.**

15 Rich said the original contract price was \$530,218.00 with the net change of the -\$4,711.44, they are requesting a  
16 payment of \$459,806.23. There will be an additional payment request that will come in.

17  
18 **Chris Condie made a motion to approve Change Order No. 1 Westside Interceptor Cleaning/Inspection,**  
19 **noting a change with the decrease in the original amount, and also Pay Request No. 1 Westside Interceptor**  
20 **Cleaning/Inspection. Brian Braithwaite seconded the motion. Those voting "Aye" – David Bunker, Mark**  
21 **Christensen, Mack Straw, Brian Braithwaite, Blaine Thomas, Chris Condie, Lynn Walker, Dale Ihrke, Craig**  
22 **White, Jay Meacham, and Sullivan Love. The motion passed unanimously.**

23  
24 **3. Adopt the 2018 Tentative Amended Operations and Maintenance & 2018 Tentative Amended Capital**  
25 **Budgets as the 2018 Amended Operations and Maintenance & 2018 Amended Capital Budgets**

26 David Bunker said we have had this in the packet for review and gone through it at previous board meetings.

27  
28 **Brian Braithwaite made a motion to adopt the 2018 Tentative Amended Operations and Maintenance &**  
29 **2018 Tentative Amended Capital Budgets as the 2018 Amended Operations and Maintenance & 2018**  
30 **Amended Capital Budgets. Chris Condie seconded the motion. Those voting "Aye" – David Bunker, Mark**  
31 **Christensen, Mack Straw, Blaine Thomas, Chris Condie, Lynn Walker, Dale Ihrke, Craig White, Jay**  
32 **Meacham, and Sullivan Love. The motion passed unanimously.**

33  
34 **4. Adopt the 2019 Tentative Proposed Operations and Maintenance & 2019 Tentative Proposed Capital**  
35 **Budgets as the 2019 Operations and Maintenance & 2019 Capital Budgets**

36 Chris Condie said he was not present at last month's board meeting and had a couple questions. Chris said in the  
37 2018 Capital Budget, we intended to spend \$10.5 million on projects, but have only spent \$1.7 million. In 2019, we  
38 are projected to spend \$19 million in capital projects, with the blower replacement being a big part of that. Chris  
39 asked if a blower has finally been chosen. Rich said we have not chosen blowers. We did get an update from Brown  
40 and Caldwell on the estimated construction costs to install the blowers. Chris asked if that is regardless of which  
41 blower is chosen. Rich said yes, it is \$10.31 million to install the blowers, which is up from the \$4 million the board  
42 has been planned on. They have been doing the construction drawings for what will be required and been putting the  
43 effort into what is going to take to put these blowers. They are at 30% of the construction drawings which allow  
44 them to do an estimate on what is going to take to fulfill this project. Chris said because the line item is blower  
45 replacement does that include the cost of the blowers themselves. Rich said yes. Chris said when you look at what  
46 we are collecting and the cash on hand, about \$40 million, and the fact we have not been spending the money on the  
47 capital projects, to him as rate payer, it looks like we are overcharging. Rich said yes, he understands. Chris asked  
48 how Rich how he feels about the \$19 million and whether we be able to do that next year. Rich said the bulk is the  
49 \$10.31 million, then taking the asset management report and looking at different assets that need to be addressed.  
50 Rich said he included in his manager's report why he pushed certain line items over and those projects that we can

1 accomplish. Rich said he wants to make sure he tackles each project and keep the infrastructure of the facility, so we  
2 do not have failures. Also taking that in to account, some of these projects have been pushed out a year further than  
3 what is listed in the asset management process. The bulk of the \$10 million that did not get spent this year was due  
4 to not having a general manager. There was tentativeness from staff to move forward on some of these projects,  
5 waiting for that direction.

6 **\*Brian Braithwaite left. 6:50 p.m.**

7 Rich said one of the reasons we have not opened the blower bids is because we were waiting for written  
8 documentation from the state saying they would accept the half air demand that we have put into this process. They  
9 have verbally agreed to the reduced air demand, but they are going to have to do a rule change, to accept this  
10 reduction in air by half. We have not seen that yet. Rich said his recommendation to the board is that we do not  
11 open those, and we discard this process, start over and increase the scope to be able to include other blowers such as  
12 the high-speed turbo blowers. Also, we add to that valued engineering option so that we can actually utilize these  
13 blowers longer term. Without that rule change from the state, Rich has to go with what is currently written. These  
14 bids expire in ten days. Chris Condie said he agrees as long as we know we can replace them in a suitable time.  
15 Rich said yes, we are just opening the scope a little wider to include the high-speed turbo blowers. We will still have  
16 the same requirements we had in the previous one and we also have to incorporate the air demand that the state has  
17 now. Chris asked if the blowers have the ability to meet what the state rule is now, so if they accept a new rule and  
18 give us that written confirmation with the air reduction, can these newer blowers be adjusted. Rich said yes, both  
19 those technologies have that capability.

20  
21 **Chris Condie made a motion to adopt the 2019 Tentative Proposed Operations and Maintenance and 2019**  
22 **Tentative Proposed Capital Budgets as the 2019 Operations and Maintenance and 2019 Capital Budgets.**  
23 **Lynn Walker seconded the motion. Those voting "Aye" – David Bunker, Mark Christensen, Mack Straw,**  
24 **Blaine Thomas, Chris Condie, Lynn Walker, Dale Ihrke, Craig White, Jay Meacham, and Sullivan Love. The**  
25 **motion passed unanimously.**

26  
27 **5. Interlocal Agreement between North Pointe Solid Waste Special Service District and Timpanogos**  
28 **Special Service District for Sewer Waste Disposal**

29 Rich said he may have started a little quickly on this, but there has to be some decisions made. Rich said he spoke  
30 with Rodger Harper at North Pointe and went over this agreement. Rodger wants to now put this on hold until  
31 January. He has agreed to the terms in this, except for the cost. Rich said he has seen the cost of the sludge disposal  
32 go from \$8 to \$10 to \$12 in a matter of these last three years. Rich said we will probably be looking at the \$15. We  
33 are currently hauling out to Bay View Landfill on Fridays, so we are paying that \$15 fee right now and we are paying  
34 the \$26.50 to haul out of North Point until January, when Rodger will tell us what the fee will be. Rich hoped it  
35 could be approved tonight and then taken to the North Pointe Board in December, so we could be locked in to this  
36 agreement.

37  
38 **Chris Condie made a motion to table Action Item 5 Interlocal Agreement between North Pointe Solid**  
39 **Waste Special Service District and Timpanogos Special Service District for Sewer Waste Disposal. Dale Ihrke**  
40 **seconded the motion. Those voting "Aye" – David Bunker, Mark Christensen, Mack Straw, Blaine Thomas,**  
41 **Chris Condie, Lynn Walker, Dale Ihrke, Craig White, Jay Meacham, and Sullivan Love. The motion passed**  
42 **unanimously.**

43  
44 **6. Resolution 2018-02 Member City Sewer Line Cleaning Dump Fee \$.06/gallon**

45 Rich said we had a request from a member city who have acquired a new vactor truck. They would like to dump  
46 their sewer line cleanings at the District. Rich thinks this is a great idea, keeping the grit out of the system. The idea  
47 is the member cities will do their sewer line cleaning and can dump here for \$.06/gallon fee. They will need a  
48 manifest, and if the manifest does not meet the requirements we want to be able to reject the load. We do not want  
49 hazardous waste, this needs to be sewer line cleanings, not storm water cleanings. The manifest would state that it is  
50 sewer line cleaning and the volume to be able to bill.

1  
2 **Chris Condie made a motion to approve Resolution 2018-02 Member City Sewer Line Cleaning Dump Fee**  
3 **\$.06/gallon. Dale Ihrke seconded the motion. Those voting “Aye” – David Bunker, Mark Christensen, Mack**  
4 **Straw, Blaine Thomas, Chris Condie, Lynn Walker, Dale Ihrke, Craig White, Jay Meacham, and Sullivan**  
5 **Love. The motion passed unanimously.**  
6

## 7 **Communication**

### 8 **1. Manager’s Report**

9 Rich said the Christmas Dinner has been moved to December 12, 2018. The procurement policy has been  
10 reviewed by Craig Carlile. Craig has spent some time on that and concluded that we should follow the state  
11 procurement code. Rich said he attended the Utah Association of Special Districts (UASD) Conference and they say  
12 they have a template we could follow. Craig White said his district has a procurement policy they are trying to  
13 amend. It has taken them over 12 months to go through the amendment process, because the legislature keeps  
14 changing it every year. David Bunker said if we adopt our own, does the new amendment by the state override  
15 anything we have adopted. Craig White said we have the right to adopt our own. There are parameters within the  
16 state procurement code that you have flexibility on. Craig White said he personally thinks there are some advantages  
17 to adopting our own, even if you take what UASD and change some of the parameters. Rich said he has worked with  
18 Craig Carlile on the personnel policies handbook, but he has chosen to go with another firm that will do it with a flat  
19 rate fee and give us a finished product. Rich said he is still working with the Administrative Committee on the salary  
20 comparison.

21 Rich said he just awarded the IT Services today, after going through the RFP process. David Bunker asked who  
22 that was awarded to. Rich said it is Executech. Rich said he has done a presentation with Highland City. American  
23 Fork is requesting Rich come and do a presentation. He will do that in December. He said as part of his presentation  
24 he will add other water bodies that have harmful algal blooms that do not have wastewater discharged into them.  
25 Rich said there is an article on Utah Lake that came out in The Daily Herald today. It has been in the works for a few  
26 months. Rich said it was done together with Erica Gaddis of DWQ, Eric Ellis of the Utah Lake Commission and the  
27 Wasatch Front Water Quality Council. Rich said he had someone who was non-technical ask him how they could  
28 become involved and participate with this process. Rich said he would think of think of that and would add it to the  
29 presentation, so the different cities know what they can do to participate in the process with Utah Lake. Sullivan said  
30 Provo City has released their RFP to investigate or start the process to build a new plant. Their plan is to build a  
31 plant with zero discharge to the lake be injected into the aquafer for water reuse. Sullivan said if more plants started  
32 doing that there would be a lot less water be discharged to the lake.

33 Rich said the CFP is currently out for bid, the closing date will be November 29<sup>th</sup>. Sullivan asked if the  
34 engineering committee is going to look at that. David Barlow said last one we had, the Engineering Committee was  
35 on the interview panel. Rich said we should have the Engineering Committee and the Board Chair be part of that  
36 interview panel. The oral presentation is to take place on January 3rd, then and it can come back for January Board  
37 meeting. The SCADA System Maintenance Agreement was signed with ICTECH, they have been doing our  
38 SCADA system for a few years.

### 39 40 **Closed Meeting**

41 There was no closed meeting.  
42

43 **Adjourn: Chris Condie made a motion to adjourn. Blaine Thomas seconded the motion. All present “Aye”.**  
44 **Meeting adjourned. 7:18 p.m.**  
45