

TIMPANOGOS SPECIAL SERVICE DISTRICT
ADMINISTRATIVE BOARD ELECTRONIC MEETING MINUTES

APPROVED

November 19, 2020 6:00 p.m. Conference Room (Electronic)

Board Members

Electronic:

David Bunker	Chandler Goodwin	Brian Braithwaite
Mark Christensen	Sullivan Love	Katie Koivisto
Craig White	Dale Ihrke	Mack Straw
Richard Nielson	Jay Meacham	John Goodman
Blaine Thomas		

District Staff:

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

Others:

Craig Carlile, Ray Quinney & Nebeker	Jodi Hoffman, Hoffman Law
Brandon Wyatt, Bowen Collins & Associates	Trevor Lindley, Brown and Caldwell
Keith Larsen, Bowen Collins and Associates	Pete Zemke, Brown and Caldwell
Ryan Bench, Carollo Engineering	Drew Geiger, Horrocks Engineering
Deann Huish, Utah Valley Home Builders Association	

Call to Order

David Bunker, Board Chair, called the meeting to order 6:00 p.m. David acknowledged the need to hold an electronic meeting.

“I, David Bunker, the Chair of TSSD Board, hereby determine that conducting the Board meeting at an anchor location presents a substantial risk to the health and safety of those who may be present at the anchor location. The World Health Organization, the President of the United States, the Governor of Utah, and the County Health Department have all recognized a global pandemic exists related to the new strain of the coronavirus, SARS-CoV-2 (COVID-19). Due to the State of emergency caused by the global pandemic, I find that conducting a meeting at an anchor location under the current state of public health emergency constitutes a substantial risk to the health and safety of those who may be present at the location.”

Public Hearing

1. The 2020 Amended Operations and Maintenance & 2020 Amended Capital Budgets

David Bunker, Board Chair, opened the Public Hearing on the 2020 Amended Operations and Maintenance and 2020 Amended Capital Budgets, the 2021 Proposed Operations and Maintenance and 2021 Proposed Capital Budgets. There was no public comment.

2. The 2021 Proposed Operations and Maintenance & 2021 Proposed Capital Budgets

David Bunker, Board Chair, opened the Public Hearing on the 2021 Proposed Operations and Maintenance and 2021 Proposed Capital Budgets. There was no public comment.

1 **3. The Impact Fee Facilities Plan, Impact Fee Analysis, and Revised Impact Fee Resolution**

2 David Bunker, Board Chair, opened the Public Hearing on the Impact Fee Facilities Plan, Impact Fee Analysis and
3 the Revised Impact Fee Resolution.

4 Mark Christensen said Deann Huish with the Homebuilders Association was present and thought she may want to
5 comment. Deann said Rich contacted the Home Builders Association in August to let them be able to review the draft
6 IFA and IFFP. Deann said Rich explained the impact fee would increase each year until 2040. They are thankful for
7 the early look; they did not see any problems, and everything looked appropriate.

8 David Bunker, Board Chair, closed the Public Hearing.

9 **Public Comment**

10 There was no public comment.

11
12 **Approval of Minutes**

13 **1. Approval of the October 15, 2020 Administrative Board Meeting Minutes**

14
15 **Mack Straw made a motion to approve the minutes of the October 15, 2020 Administrative Board Meeting.**
16 **Katie Koivisto seconded the motion. Those voting “Aye” – David Bunker, Dale Ihrke, Mark Christensen, Mack**
17 **Straw, Brian Braithwaite, Blaine Thomas, John Goodman, Craig White, Jay Meacham, Katie Koivisto, Richard**
18 **Nielson, Sullivan Love and Chandler Goodwin. The motion passed unanimously.**

19
20 **Consent Calendar**

21 **1. Prequalification of General and Electrical Contractors for the Power Quality Project**

22 **2. Archer Western Pay Request No. 3**

23 **3. 2021 Board Meeting Schedule**

24
25 **Blaine Thomas made a motion to approve the Consent Calendar. Dale Ihrke seconded the motion. Those**
26 **voting “Aye” – David Bunker, Dale Ihrke, Mark Christensen, Mack Straw, Brian Braithwaite, Blaine Thomas,**
27 **John Goodman, Craig White, Jay Meacham, Katie Koivisto, Richard Nielson, Sullivan Love and Chandler**
28 **Goodwin. The motion passed unanimously.**

29
30 The board discussed changing April’s meeting since it conflicts with the League of Cities and Towns conference,
31 and if moved to the prior week, it may conflict with the WEAU conference. The board decided to leave the schedule
32 as is and, if needed, they can change it in the March meeting.

33
34 **Finance**

35 **1. Financial Report**

36 Joe Martin presented the financials for September 2020. We are three fourths through the year and expenses are
37 looking about the same for this time of year. Blaine Thomas asked when the bonds are due. Joe said we make two
38 payments a year, in June and December. David Bunker asked how we are doing in the collection of our impact fees.
39 Brian said it is the first time in years that everybody has them in on time. Joe said these are tracked and recorded as
40 the check /report come into the District. It then gets entered into Caselle and deposited. The impact fee revenues are a
41 little above where we were a year ago. The ERUs are a little below where we were a year ago. That could just be the
42 mix of the ERUs, commercial and multifamily versus residential.

43
44 **Action Items**

45 **1. Adopt the 2020 Amended Operations and Maintenance & 2020 Amended Capital Budgets**

46 Rich said the 2020 amended revenues are slightly lower, which coincided with Covid19 or other reductions in our
47 operating revenues. There are a few amendments in our operating expenses. We have increased the solid waste
48 disposal due to shutting down the composting operation. It was increased \$220,000.00 to cover expenses for the rest
49 of the year. There are some adjustments with professional services to coincide what we are going to spend the rest of
50 the year. In our capital budget, we have made progress on some projects but have pushed money we did not use this

1 year into 2021. Rich said we made progress with Carollo Engineers in getting design together on the Power Quality
2 project and are preparing to send out an RFP. There has been progress on our collection line projects. The blower
3 project was reduced for 2020, as we were delayed by a few months to get that going but are now going full steam. The
4 rest of the money was pushed to 2021. The upsizing of the 42" line to 60" line (CL-R1) has had significant progress
5 made, but we will not spend all that money this year, so the rest of the money was pushed to 2021. The board decided
6 to go with a better product on the asphalt overlay project and so that was increased from \$60,000.00 to \$128,064.00.
7 We have been making progress on the land acquisition but have not made any decisions and that money was moved to
8 2021.

9 **Dale Ihrke made a motion to adopt the 2020 Amended Operations and Maintenance and 2020 Amended**
10 **Capital Budgets. Sullivan Love seconded the motion. Those voting "Aye" – David Bunker, Dale Ihrke, Mark**
11 **Christensen, Mack Straw, Brian Braithwaite, Blaine Thomas, John Goodman, Craig White, Jay Meacham,**
12 **Katie Koivisto, Richard Nielson, Sullivan Love and Chandler Goodwin. The motion passed unanimously.**

13 14 **2. Adopt the 2021 Operations and Maintenance & 2021 Capital Budgets**

15 Rich said now that the compost production has ended, those expenses were merged into the operations or
16 maintenance budgets. With that change, there will no longer be a solids handling budget. Rich said the significant
17 thing to note in the 2021 capital budget is the \$40 million in capital improvements projects. We will not exceed that
18 \$40 million. We are moving from the design phase and will begin building these projects as long as we continue on
19 the same path. David Bunker asked if every solids handling employee has moved to operations or maintenance. Rich
20 said yes, they were not necessarily divided evenly, but with the workload. We had one employee that left through
21 attrition. We still have a couple of positions open that are needed to fill. There was not a significant increase in
22 salaries and benefits; 2.5%, due to Rich determining one extra employee is not needed. Rich believes with those two
23 positions filled, that will give us sufficient staffing. Dale said that may change as the plant expands, and we get into a
24 biosolids program. Rich said correct. Brian asked if all of the compost has been sold. Rich said we still have some
25 and it is being sold by appointment only now. Rich said our last pile finished curing last week.

26 **Brian Braithwaite made a motion to adopt the 2021 Operations and Maintenance and the 2021 Capital**
27 **Budgets. Blaine Thomas seconded the motion. Those voting "Aye" – David Bunker, Dale Ihrke, Mark**
28 **Christensen, Mack Straw, Brian Braithwaite, Blaine Thomas, John Goodman, Craig White, Jay Meacham,**
29 **Katie Koivisto, Richard Nielson, Sullivan Love and Chandler Goodwin. The motion passed unanimously.**

30 31 **3. Adopt the Impact Fee Facilities Plan, Impact Fee Analysis, and Revised Impact Fee Resolution**

32 Rich said as part of the IFFP, Bowen and Collins contacted the member cities to get their projected growth. Using
33 that information, we can see how the flows will progress out from 2019, when this was started. Looking at that
34 information, we need to accommodate for growth in different areas. Calculations were made with respects to flows,
35 and inflow and infiltration. They looked at the capacity of the facility and pipelines to determine future capacity with
36 respect to the collections system and the treatment system. They took into account how much money is required for
37 each of the projects. That total amount is broken out to how much is attributed to the existing - \$18 million, growth
38 the next ten years - \$16.9 million, and growth beyond ten years \$41.7 million. They looked at structural enhancement
39 projects of the collections system which totaled \$11.8 million. About 75% of those were attributed to existing - \$9.2
40 million, with the rest to growth the next ten years - \$2. million. Then they looked at treatment plant projects. These
41 projects were totaled at \$4.6 million with existing - \$1.2 million, 10-year growth - \$1.5 million and growth beyond ten
42 years - \$1.7 million. All of those projects divided up between new users and existing users for a total of existing -
43 \$28.4 million, next ten years growth - \$1.5 million and to growth beyond ten years - \$43.5 for a total of \$93, 259,000.
44 Rich said that summarizes the IFFP. They identified the existing levels of service and proposed levels of service for
45 those different projects. Rich said they did take into account the historic flows with the peak flows, and ERUs. Rich
46 said he believes the methodology was sound in the calculations.

47 Rich said the IFA was prepared by Zions. They took the information from the IFFP and looked at our financials to
48 make sure we would be able to pay for these projects and how they would be divided accordingly. It showed that we
49 are going to be short money and will potentially need to bond. As each user comes on board it will stagger how much
50 they need to pay depending on what year they come on and whether they are participating in the bonding up front or
51 paying later on. That is one of the reasons the why the dollar changes from year to year. The gross fee per ERU

1 remains the same, but each year it is taken into account whether there are credits for the 2017 bonds and the existing
2 user's obligation. That is why the fee is increased year after year. Rich said the homeowner's association is aware and
3 that it seemed to be a reasonable management of this program and that it is rightly allocated for existing users and new
4 users. Rich said this was adjusted for the projected growth due to the Covid-19 pandemic; it was pulled back the next
5 two to three years not knowing how the pandemic would affect builders and potential growth. We are committed to
6 starting this process again within a year and we need to incorporate the master plan into it, and it will also give us a
7 better idea how the pandemic has affected the growth.

8 David Bunker said he wants to make sure the board understands what is going on with the impact fees. David said
9 based on growth in the next ten-year period we will add 47,428 ERUs to the system. The average impact fee per ERU
10 is \$1,828.45, so we will generate \$86.7 million in impact fees. The issue is that we have \$153 million worth of
11 projects to do, so impact fees do not cover them. We are going to be short \$66.6 million and we are going to have to
12 borrow some money. There will have to be plan if we are going to continue to do these projects. David said it is wise
13 for the District to continually look at this on a consistent basis like Rich has said.

14 Chandler said with the fee changing every year, will the Board need to adopt this every December before it goes
15 into effect the next year? Rich said the resolution, prepared by Jodie Hoffman, answers that question. Rich went
16 through the resolution. It refers to the IFA and how that impact fee will be adjusted annually on January 1st of
17 following year. Chandler asked if there is any debt that would be retired within the next ten years. Rich said yes, the
18 2017 Bond would be paid off in 2029. Chandler asked when we anticipate we would need to go out to bond. Rich
19 said he anticipates we would need to go to bond next year. Rich said the board can talk about when to bond; bonding
20 rates are low now. By 2023, we will run out of money, at our current rate. Chandler said it would be in the District's
21 best interest to remind the cities annually that the fee is changing.

22 Mark said on the issue of bonding, a lot of the residents and councils are concerned that we are subsidizing
23 development, and that we are getting too far out in front of the community. Mark said he is suggesting that by
24 bonding we are increasing the rates to our existing users and we need to be cautious that we are doing it at the
25 appropriate time. Mark is not saying no to bonding and while he supports us staying ahead of development, he wants
26 to make sure that we are not absorbing too much debt or so much extra capacity that our current residents are
27 disproportionately funding development for future years. David Bunker said that is a great point and part of that
28 evaluation comes when we are out of capacity and what we want to build is not just a 10-year improvement, a 20-30-
29 year improvement makes more sense. Brian said in the TAC meetings, Rich brought up suggestions about how to
30 push the life of many pieces and arrange the upgrade of the facility in a pattern that allows us to push end of life for
31 many of the capital assets. That is a key element we ought to continue to talk about.

32 **Dale Ihrke made a motion to adopt the Impact Fee Facilities Plan and the Impact Fee Analysis. Richard**
33 **Nielson seconded the motion. Those voting "Aye" – David Bunker, Dale Ihrke, Mark Christensen, Mack Straw,**
34 **Brian Braithwaite, Blaine Thomas, John Goodman, Craig White, Jay Meacham, Katie Koivisto, Richard**
35 **Nielson, Sullivan Love and Chandler Goodwin. The motion passed unanimously**

36
37 **Chandler Goodwin made a motion to adopt the Revised Impact Fee Resolution 2020-01. Mack Straw**
38 **seconded the motion. Those voting "Aye" – David Bunker, Dale Ihrke, Mark Christensen, Mack Straw, Brian**
39 **Braithwaite, Blaine Thomas, John Goodman, Craig White, Jay Meacham, Katie Koivisto, Richard Nielson,**
40 **Sullivan Love and Chandler Goodwin. The motion passed unanimously.**

41 **4. Archer Western Change Order No. 1**

42
43 Rich said this is part of the blower project. Part of the scope of work was to inspect all the actuators. But, in the
44 contract, we wrote we would only replace 25% of them, anticipating we would not have problems with the current
45 actuators. They have gone through about 25% of those actuators and they are seeing those actuator seats need to be
46 replaced. Rich agrees that all of these are going to need to be replaced. The cost will be \$21,779.00. Mark asked
47 what Rich's change order authorization. Rich said he does not believe he has authorization to approve change orders.
48 David Bunker said the issue is if a change order takes the project over the budget. Mark said this is a \$7.6 million
49 contract and \$21,000 seems a small percentage. If Rich doesn't have approval for that, Mark would entertain a
50 discussion on giving him a little more flexibility on change orders.

1 **Brian Braithwaite made a motion to approve the Archer Western Change Order No. 1 for the amount of**
2 **\$21,779.00. Jay Meacham seconded the motion. Those voting “Aye” – David Bunker, Dale Ihrke, Mark**
3 **Christensen, Mack Straw, Brian Braithwaite, Blaine Thomas, John Goodman, Craig White, Jay Meacham,**
4 **Katie Koivisto, Richard Nielson, Sullivan Love and Chandler Goodwin. The motion passed unanimously**
5

6 **Communication**

7 **1. Managers’ Report**

8 Rich said we are coming to the end of the year and we are trying to be under 1.0 mg/L on our effluent phosphorus.
9 The aerated digester modifications we made in house are working and Rich feels comfortable we are going to be under
10 1 mg/L for the year. The rest of the plant seems to be operating very well. Rich said as we increase in flow, the
11 effluent Total Inorganic Nitrogen will start going up and that will be discussed more when we get updates on the
12 master plan from Brown and Caldwell. David Bunker asked the TIN limit from DEQ. Rich said we do not have a
13 limit right now. That is why we are talking so much about the lake; we are trying to make sure we do not get a limit. If
14 it will not help the lake, why impose a TIN limit on us? Brown and Caldwell are saying to meet a TIN limit of less
15 than 10 mg/L it would cost us \$140 million in capital projects. Rich said looking at the effluent phosphorus, it shows
16 that based on going from coarse to fine air diffusers in the aerobic digesters, we will be able to save some money from
17 going chemical and we will make the limit on phosphorus. David thanked Rich and said he has confidence that Rich
18 knows how to run this plant. Rich said he does not do it alone; the staff is working hard too.
19

20 **Closed Meeting**

21 **1. To discuss litigation, property acquisition and personnel.**

22 **Brian Braithwaite made a motion to go into closed session. Jay Meacham seconded the motion. David**
23 **Bunker called for a roll call vote. Those voting “Aye” – David Bunker, Dale Ihrke, Mack Straw, Brian**
24 **Braithwaite, Blaine Thomas, John Goodman, Jay Meacham and Chandler Goodwin. The motion passed. 7:05**
25 **p.m.**
26

27 **Blaine Thomas made a motion to go back into regular session. Katie Koivisto seconded. Those voting “Aye”**
28 **– David Bunker, Dale Ihrke, Mack Straw, Mark Christensen, Brian Braithwaite, Blaine Thomas, John**
29 **Goodman, Craig White, Jay Meacham, Katie Koivisto, Richard Nielson, Sullivan Love and Chandler Goodwin.**
30 **The motion passed unanimously. 7:18 p.m.**
31

32 **Adjourn: Dale Ihrke made a motion to adjourn. Mack Straw seconded the motion. All present “Aye”.**
33 **Meeting adjourned 7:19 p.m.**
34