

Minutes
Central Davis Sewer District Board Meeting
May 14, 2009

The Board of Trustees for Central Davis Sewer District met in regular session at 7:00 pm at the District office located at 2200 South Sunset Drive, Kaysville, Utah 84037.

Present: Attending the meeting were Chair Susan Holmes and Trustees John Thacker, Carol Page, Steve Brough and Sherm Cloward. District Manager Leland Myers was also present. Also attending were Ryan Child from Wood Richards and Steve Davis from Davis Chase.

Minutes: Chair Holmes asked if there were any corrections to the minutes for April 9, 2009. Trustee Cloward moved the minutes of the meeting be approved as presented. Trustee Brough seconded the motion and all Trustees present voted aye.

Claims: Chair Holmes invited Manager Myers to review the claims list with the Board. After review, Trustee Page moved the claims as presented be accepted. Trustee Thacker seconded the motion and all Trustees voted aye.

2008 Financial Audit: Chair Holmes welcomed Steve Davis and Ryan Child to the Board Meeting and invited them to report on the audit. Steve Davis reported on the quarterly reviews of the financial system as conducted by his firm. The quarterly reviews found no items of concern that needed Board attention. Ryan Child presented the Audit to the Board. The presentation included a review of the management discussion and the highlights of the financial statements and yearly changes. The financial statements, as prepared by the District and Mr. Davis reflect fairly the financial position of the District. The audit firm also found no deficiencies in internal controls and no material weaknesses during their review of the financial information and District controls. Minor questions from Board members were answered. Chair Holmes thanked the auditors for their work and thanked staff for the continuing high quality financial operation.

Offer to Purchase Real Property: The Board reviewed and discussed an offer to purchase real property from Berrie and Kathy Brewer. The property in question is land fragments the District owns around the Arnold property immediately north of the District WWTP. Board members discussed the value of the property and the intended purpose it was originally created by the District. The purchase proposal offered \$4,000 for the

property and offered a perpetual conservation easement across the property. After discussing alternatives, Trustee Thacker proposed and motioned the following counter offer. The counter offer included:

1. Trading the District property for an easement across the Arnold and District property prohibiting the building of more than one more home on the property, bringing the total to two houses. This may require subdividing the parcel into two lots.
2. Prohibiting access to the property from Shepard Lane. Access may be allowed from Sunset Drive or from the North.
3. Maintaining an easement for sewer lines and other utilities existing in the old Shepard Lane alignment.
4. Conveyance of the property by Quit Claim Deed.

Trustee Brough seconded the motion and all Trustees voted aye. Manager Myers was authorized to convey the counter offer to the Brewers.

NACWA 2008 Financial Survey: Chair Holmes discussed NACWA's Financial Survey and invited Manager Myers to review the specific findings with the Board. Manager Myers presented a comparison of the financial survey benchmarks with District benchmarks for various parameters. The data used in the 2008 Financial Survey is the 2007 fiscal year. The comparisons show the District with operating costs for each benchmark. In general about 15-20% of reporting entities had lower costs than the District, while 80-85% of the entities had higher costs. The Board expressed appreciation for staff maintaining an cost effective operation.

Risk Management Plan - 2009 Update: Chair Holmes indicated that the Risk Management Plan(RMP) was a required federal program resulting from the District's use of gaseous chlorine. Manager Myers was asked to present a summary of the changes in the plan. Manager Myers stated that the RMP program requires a five year comprehensive review of all plans. This review period, the District made changes to remain in compliance. None of the changes were substantial in nature. Manager Myers presented a summary of the current RMP. Upon completion of the review, Trustee Brough moved to accept the updated RMP and adopt it as the District's plan. Trustee Thacker seconded the motion and all Trustees voted aye.

Capital Facility Plan Amendment Discussion: Trustee Holmes commented that the proposed capital facility plan update is the result of Farmington City's decision to change current zoning and allow significantly higher density in the West Farmington Station Park area. This higher density, Chair Holmes concluded will result in increased impact fees for the area. Manager Myers reviewed the Plan narrative and cost estimates with the Board. The estimated cost of service for the high density area is about \$6.5 million. Manager Myers indicated that a public hearing for the capital facility

plan was required. The Board decided to have the hearing at the June 11, 2009 Board meeting. Manager Myers was instructed to provide the required notice.

Great Salt Lake Research and Council Activity Update: Manager Myers presented a summary of current research activities for Jordan River and Farmington Bay conducted by the interlocal group the District is a member of. Also discussed were cooperative efforts that are occurring with the State Division of Water Quality and the interlocal group. Manager Myers also updated the Board on the status of recommendations to the Governor from the Great Salt Lake Council. A copy of the Council recommendations to the Governor was provided to each Board member. Manager Myers answered Board questions relative to these efforts.

Stimulus Activities - Employment and Contracts: In an effort to take advantage of the current economic climate, Manager Myers provided information to the Board about two proposed stimulus activities. The first is bidding for replacement of a portion of the West Farmington pump station pressure line. The cost for this project was estimated at \$409,000. If the bids are good for this work, the Manager indicated that the Board could add this project to the current year budget. Bids will be presented at the June, 2009 Board meeting. The second action item proposed is the hiring of a temporary employee to allow for increased cleaning and video inspection of the collection system. The estimated cost for the additional seasonal employee is \$22,000. This would not lead to a permanent position. Increased video inspection would greatly benefit the District and aid in defect identification. After discussion, Trustee Page moved to authorize the temporary employee and increase the Budget by \$22,000. Trustee Cloward seconded the motion and all Trustees voted aye.

Procurement - Headwork Screen: Manager Myers indicated that after screening equipment inspection at several sites, Staff recommends procurement of the Huber Step Screen and compactor. Huber was the lowest priced bid and it has received the highest recommendations. This information was conveyed to the Board two weeks ago and the Board verbally approved proceeding with procurement of the screen and compactor. Trustee Thacker moved to approve/ratify the purchase of the Huber Screen and compactor as the lowest cost responsive bidder. Trustee Brough seconded the motion and all Trustees voted aye.

Procurement - Compactor: Bids were presented to the Board for procurement of a "jumping jack" compactor. The bids were

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| 1. | United Rentals | \$3,073 |
| 2. | Industrial Supply | \$3,786 |
| 3. | Rasmussen Equipment | \$3,017 |

Manager Myers indicated that the current compactor was worn out and no longer repairable. Trustee Thacker moved to approve procurement of a compactor from the lowest responsive bidder - Rassmussen Equipment for \$3,017. Trustee Brough seconded the motion and all Trustees voted aye.

Minor Items: Manager Myers presented information on the following minor items:

1. Greenhouse gas and EPA activities
2. Article on environmental priorities
3. Update on offsite odor monitoring activities
4. Extended vs. Budget Report.

The meeting adjourned at 9:15 pm.

Next Regular Meeting: June 11, 2009.

District Manager