



HEBER VALLEY SPECIAL SERVICE DISTRICT

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BOARD MEETING May 9, 2024

CONDUCTING: Board Chair, Celeste Johnson

Those in attendance: Celeste Johnson, Heidi Franco, Jim Goodley, Wes Johnson, Ben Probst, Clair Provost, Tina Rodriguez, Yvonne Barney, Brian Provost- remote

PUBLIC COMMENT: *This is the public's opportunity to comment on items not on the agenda.*

ENTITY UPDATES: Heidi Franco stated that she has worked with the city attorney on the updated interlocal agreement. Hopefully next month Heber will be on board with the HVSSD updates.

Yvonne Barney stated that she toured the Davis sewer treatment plant. She informed the board that they have a combination system. They split the flow between the systems. They also have a composting system and a hay farm. The original was 2 mgd. Their headworks do have odor issues and they found that wind causes most of the issue. They have received awards for the way they maintain and upkeep their plant.

Jim Goodley said they have also been encroached on by high-end housing.

- 1) Consent Agenda Approval
 - A. Balance Sheet April 2024
 - B. Bank Reconciliation Detail April 2024
 - C. P&L Detail April 2024
 - D. PTIF General Fund Statement April 2024
 - E. PTIF Impact Fee Fund Statement April 2024
 - F. Warrant List May 2024
 - G. Minutes from April 11, 2024
 - H. Minutes from April 22, 2024

A motion to approve the consent agenda was made by Yvonne Barney. The motion was seconded by Heidi Franco and the chair asked for a vote:

Celeste Johnson- Yes

Clair Provost- Yes

Steve Farrell- Excused

Heidi Franco-Yes

Yvonne Barney- Yes

Mike Johnston- Excused

Brenda Christensen- Excused

- 2) Financial Update (Tina Rodriguez/Ben Probst)

Tina Rodreguiz said the board asked them to align their reports with the auditor's reporting. She informed the board that HVSSD needs more detail than the suggested form. They need to add the

GLs into the system to give an accurate report. She feels that it does not make sense to delete line items. They can customize a report if they do want a condensed version to report to the board.

Ben Probst stated that if they condense their report, it won't match the transparency report that is required from the state. They can condense to farm or plant and add depreciation and impact fees. Looking at QuickBooks, the numbers are set up for either plant, farm or administrative. As he prepares the financial report for the audit he separates where it is allocated. He has submitted the financial report to the auditors, and they should hear back from them soon.

Heidi Franco stated that the categories are broad, and she would like to see the past 2 years, current, actual and projected with the percentages.

Tina Rodrigues stated that with government it would be better to have a semi-annual report. Monthly does not make sense. They could do quarterly if it is wanted. They discussed this in staff meeting this morning and they should have a healthy snapshot and project from the budget moving forward. This will determine their purchase power etc.

Celeste Johnson suggested that they go quarterly and then maybe look at semi-annual due to the many moving pieces.

Ben Probst stated that quarterly will be fine. They will look at prior years and see what has been expensed and move forward.

Heidi Franco stated that Heber City does quarterly reports.

Celeste Johnson directed Tina Rodriguez to move forward with the reports.

Heidi Franco stated she would like to see last year, this year, actual and percentages. As she sees bids come in, the board will go over the budget, which will help them see what they need to do to make it work.

Tina Rodriguez stated that she will have April-June to report in July.

Heidi Franco stated she would like to see them proceed with the rate study.

Celeste Johnson said she recommends that in the June meeting they look in-depth at the plant. This will require some accounting for an impact fee study.

Jim Goodley stated that the CIB funding is for the MLS and the headworks were not in the CIB funding and would be a new expenditure. They could put this in the next year's budget. He anticipates this in 2025. They will discuss this later in the meeting and he is proposing scaling back on this.

Celeste Johnson stated that they have impact fees that need to be spent.

Ben Probst stated that they have impact fee funds that may need to be spent in the next couple of years. He submits an impact fee report every year. The majority of the fees have come in the last five years. At the end of 2023 they reserve was 11 million.

Heidi Franco stated that the budget for the headworks is under the bid.

Celeste Johnson stated that they can use CIB money for this.

3) Industrial/Agricultural Protection Zone Update
Motion to pause or move forward with application

Celeste Johnson stated that the Midway City council has asked for a summary, including letal ramifications. They have asked that while the county has passed the industrial protection, we postpone our application until we have a plan that we can show the community. There is a misconception that this will make us not accountable for fixing issues. We have already invested in odor protection. The high costs for this are working and protecting the community until they can do something more permanent. She said she received an email from a resident stating that we have increased our rates and not done anything with the money. Actually, we have done things, and hydrogen peroxide is one of the things. We want to have long-term solutions that make sense. She stated that she would recommend a motion that we do not move forward until we can visit planning and release to the community what has been done and a plan. We should do this before we move forward with the industrial zone. There is also a misconception that this is being set up just for HVSSD. If we wait for six months to show that others are doing the same thing. This should have been done when the district was created. With the encroachment of building, we are now asking for a delay. We need to put out long range plans and build their trust first.

Yvonne Barney asked if we wait, will this force us to go through the whole process again and will it take a year? Is this something that is time sensitive for getting in the application.

Celeste Johnson stated it won't be something they will have to re-do. The work they have done for the last few months will not change. They have done the boundary survey and distances to property line.

Jim Goodley stated that they have purchased the supplies needed to send out the notices and they have done the boundary

Celeste Johnson stated that she feels that they can move forward with the agricultural zone now. She is not recommending that the ag zone is delayed, only a delay on the industrial zone.

Heidi Franco stated that the code was effective in 2019 for encroachment of development into these areas. It was built in this location to ensure that it would not be a nuisance and they have followed sound applicable standards for what they are doing. We are trying to avoid frivolous litigation, not accountability. We do not want rate payer's money going toward nuisance lawsuits. This protection zone does not include public health and safety, it only protects against frivolous lawsuits. They need to protect the rate payer's money.

Celeste Johnson stated if they can't prove health or safety they cannot win a lawsuit. They need to know it protects our rate payers from frivolous lawsuits. They can still be filed, and we need to explain the difference. We have not had protection in place and 6 months will not make a difference. During the next 6 months we can educate the residents about the true reason for it.

Yvonne Barney questioned why we can't still apply? The process takes time and if they can move forward with the application process and do the PR during that time. They need to protect the rights of all residents.

Heidi Franco stated it may take up to four months for the soil conservation board. If we are sued prior to receiving the zone protection, would it apply, if they have already applied.

Celeste Johnson stated they need to get from Martha the ramifications and talk to the council to get a timeline for approval of the zone.

Clair Provost stated that the people in the community think we are doing it because of the situation. If we can show just cause, it makes good sense.

Heidi franco stated that Midway is facing scrutiny, and they should see what Martha says about the risks.

Celeste Johnson stated that they will have some pushback from Midway. The board has been protective of Midway. The cost of the hydrogen peroxide has supported Midway and Heber does send a lot to this plant, and we bear the burden of what is brought here. Odor is the biggest concern.

Mark Austin- a resident from Midway, stated that he spent 30 years working in municipal development. Because it is in the backyard of Midway and most of the noise is from people close to the plant. What the Mayor is trying to say is that this is a PR issue. If you don't get the PR right, you don't show that you are taking action.

Yvonne Barney stated that she is hoping that the DHHS will help. The process may take long enough that we can do the PR.

Heidi Franco stated that if they do the dredging it will solve the problem but there will be odors caused by this that could trigger an issue.

Yvonne Barney made a motion to instruct the manager to speak to legal and to the county to get a timeline on the application process and the legal ramifications and put this in the discussion on the June 13th agenda and have the continued discussion at that time. The motion was seconded by Clair Provost and the chair asked for a vote.

Celeste Johnson- Yes

Clair Provost- Yes

Steve Farrell- Excused

Heidi Franco-Yes

Yvonne Barney- Yes

Mike Johnston- Excused

Brenda Christensen - Excused

Jim Goodley asked about our insurance and if they cover legal fees for lawsuits. He said he will check into this and talk to Martha about the questions like legal ramifications and the time frame.

4) Composition of HVSSD Board Discussion (Celeste Johnson-20 mins)

This is a question that came before the Midway City council. The misconnection is that Midway is not represented. The MSD person and the county council member are from Midway. Three are from midway and three from Heber, and one from Charleston. Celeste Johnson stated that she has discussed this with Steve Farrell about the county council rep be from Midway so that they are

represented. Steve will take this to the county for discussion and report back to this board in the June meeting.

Clair Provost asked what would happen if the person at large is not from Midway.

Celeste Johnson stated that Mark Nelson is representing Midway on the county council. There will always be a Midway person on the council.

5) Headworks Screening System- Potential Change of Manufacturer (Jim Goodley- 30 mins)
Celeste Johnson stated that they have put breaks on some of the improvements. They wanted to make sure that the new manager was in on these decisions and had input on the updates and improvements. The headworks screening system is an example of this.

Jim Goodley stated that the district has entered a contract for the headworks they received bids and has selected the Ovivo bids. They have been paid an initial payment of 10% of the contract in the amount of \$51,000.00. This happened in December. Since then, they have received the design of the system and reviewed it with Aqua. There are concerns about this. It will require concrete modifications and a shut-down of the system. A significant modification will be needed. They have started looking at additional options from other manufacturers. Other bids will fit, and they can do one channel at a time and not bypass the headworks. It would be a much simpler process. Some of the equipment is less expensive than the selected option. There were several others that bid and considering the challenges and costs he recommended that they change the manufacturer. He presented documents that support this change. The cost is one of the documents. This will be a savings of \$800,000.00 to the district.

Celeste Johnson stated that they looked at the quality of the project and not the shut-down of the system for this. The analysis of the manager is that these funds could be better spent on other issues.

Jim Goodley stated that Ovivo is a rather new system. They have done about 16 installs and the Huber has about 700 in North America and 3000 worldwide. They are a well-known manufacturer in the wastewater community. The Huber system will just drop in where it needs to go and is a much cleaner system.

Yvonne Barney asked about the life expectancy of the equipment.

Jim Goodley stated that the life expectancy would be the same. The only difference is the warranty. Huber is 1 year, and Ovivo is 2 years. He stated he traveled to Hyrum and looked at one that Ovivo installed and was not impressed.

Heidi Franco asked if they could recoup the down payment.

Jim Goodley stated that legal informed them that they may ask for a refund, but they may not get it back. They may request additional funding also. Legal stated that they are in good standing if they do not pay the additional amount.

Wes Johnson stated that they will come out ahead if they do not get the refund.

Heidi Franco asked about a timeline for this change to get it going, and if they could get a timeline for this. She stated that she is not against paying for the expedited service for this.

The board instructed Jim to ask if there was an expedited option.

Heidi asked about a timeline for this change to get it going. Can they get a timeline for this. Not against paying for expedited service for this.

Jim was instructed to ask if there was an expedited option.

Clair Provost asked if it will it create odor issues when it is being installed. This may be a PR thing if it will increase odors.

The board gave staff directions to move forward with cancelling the contract with Ovivo. With the assistance of Martha and calling Huber tomorrow to start a new contract.

Wes Johnson stated he feels that the Huber will be faster than Ovivo, with all of the modifications they would have needed to make.

6) Managers' Report (Jim Goodley -1 hr)

Jim Goodley said he will not cover everything in the report and asked for questions or concerns.

Heidi Franco stated that she loves the organized report.

The board looked at the map to see where the MLS is at, and the path that the sewer follows to the plant.

Wes Johnson stated that they are getting odorloggers in the area to see if there are any issues there. After they get the information from the state, they will look further into the Michie Lane area. MSD has talked about hiring a consultant to help identify any issues they may have.

Heidi Franco asked about the cement walls on the lift station.

Jim Goodley stated that they are pouring the floors in June and then the pumps will be installed, then piping and electrical. They will then put in the MCC buckets. They anticipate starting up mid-September.

Pro

The odors have been increasing in the morning and sometimes during the days. It is not severe. He stated that we are in the middle of turnover. We are hoping it will not be as intense as in the past. They did up the dosage of hydrogen peroxide when they noticed the turnover and the calcium nitrate feed.

They did the sampling last week with the boat. They also took sludge samples. He did note that in the non-aerated zone there was degradation, which is an indication of turnover. They collected the samples that ERG wanted. They sent the samples to Chemtech and then they will share the findings with ERG.

Mechanical Plant- They started last week with the south train. It has not been operational for several years. They have a new mixer also and will put in new pumps. Heber City came and

assisted with the process. The south train is now in operation. One of the pumps on the north train was not working correctly and has gone back to North Carolina for service. They are working with JSSD to get it working again.

There are two clarifiers so one has been out of service for several years. There are no issues that they are aware of. There will be someone here next week to help get things working.

The grit system has been working in auto mode for a couple of weeks. There will be a service call next week to address because it is not operating as intended.

Farm- They are planning on commencing irrigation next week. Brian has completed the repairs on the system and put on the fertilizer.

MLS- Aqua does not have a contract and we have asked for the scope and fees to complete the construction to take us from April until commissioning in September. There is a scope and fee in the board member packet. Construction fees are around \$73,000.00. He has asked for a not to exceed amount. If needed, they will need authorization from the district to go over. This will be a T\$M project. They are asking for the board's authorization to go with the contract amount of \$73,938.75. The manager stated that he would like to sign it.

The board directed the manager to sign the contract.

Lagoon dredging- The manager stated that they are still making progress on this. He has taken the sludge samples that will help with the amount of sludge. They have received a couple of bids. There is one bid for 1.8 million that includes dredging, dewatering and not transport and disposal. They have estimated odor control if needed. They do want to work 24/7 for 100 days to dredge cell 1. They will get the information on light and noise for this project.

Wes Johnson asked about the season and doing the work during the winter when people are not out, and windows are closed. He also asked if they would need to turn off the aeration during this process.

Jim Goodley stated that vegetation may need to be removed so it won't hinder the work.

Wes Johnson stated that they hired Lance excavating to remove them in the past.

The manager said he received an estimate yesterday for 4.2 million, including transportation, and another 1.5 for disposal totaling 3.3 million. It should be in the 4 million range. They will need to prepare an RFP for this. He has talked to Wes about it. There is a company EJCDC that is widely used in the engineering world for bidding documents. He needs the documents and Aqua will help them. He would like to have a draft put together for next month.

Celeste Johnson stated that they are pretty certain that they can use CIB funding for this. Brad is suggesting that we go back to CIB and go from there.

Cell 1 Aeration- The scope was to provide aeration in the portion where there is no aeration. They would provide new piping down the southern dike have manifolds that went to the southern half of the lagoon.

Clair Provost asked about the half that are working?

Jim Goodley stated that they need to dredge, and the proposal would have weighted lines and do the dredging first.

CIB Loan- We are re-evaluating this with Aqua to find out the best path and will go to them on a new set of projects, but maybe downsize.

Celeste Johnson said we need to do this and propose to CIB. We will need less than we thought. They can keep the same interest and less money.

DHHS Update- They will come out tomorrow to install the air monitors.

The job advertisement went out yesterday and has been posted on WAU, ULCT, UASD and Rural Water and it is going in the Wave next week for 4 weeks.

With no other business to address a motion was made by Heidi Franco to adjourn the meeting. The motion was seconded by Clair Provost and the chair asked for a vote:

Celeste Johnson- Yes

Clair Provost- Yes

Steve Farrell- Excused


Heidi Franco-Yes


Yvonne Barney- Yes

Mike Johnston- Excused

Brenda Christensen - Excused

Approved Date: 6-13-24


Celeste Johnson- Chair


Janet Carson- Secretary