

APPROVED

March 21, 2024

6:00 p.m.

Conference Room/Electronic Meeting

Board Members:

Present: Sullivan Love (Chair) Chandler Goodwin (Vice Chair) Blaine Thomas
Neal Winterton Brian Braithwaite Joel Thompson
Mark Christensen Richard Nielson

Electronic: Brent Rummel, David Bunker, Chris Condie, Mack Straw

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

Others:	Mark Bell, Hayes Godfrey Bell Jeff Appel, Ray Quinney and Nebeker Wade Stinson, Aqua Engineering Brandon Wyatt, Bowen Collins and Associates Ryan Bench, Carollo Engineers Amber Rasmussen, Vineyard City Council (electronic)	Lyle Prince, BYU Rachel Huber, BYU Sam Oldham, BYU Abin Chapagain, BYU Yubin Baaniya, BYU Samuel Cuessy, BYU
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Call to Order

Sullivan Love, Board Chair, called the meeting to order 6:16 p.m. Board meeting started late due to technical issues.

Public Comment

There was no public comment.

Approval of Minutes

1. Approval of the February 15, 2024 Administrative Board Meeting Minutes

Chandler Goodwin made a motion to approve the minutes of the February 15, 2024 Administrative Board Meeting. Brian Braithwaite seconded the motion. Those voting “Aye” – Sullivan Love, David Bunker, Mark Christensen, Blaine Thomas, Brian Braithwaite, Richard Nielson, Neal Winterton, Joel Thompson, Brent Rummler, Mack Straw, and Chandler Goodwin. Those voting “Nay” – None. The motion passed unanimously.

Consent Calendar

1. TSSD Check Register

2. CL-N1:

- a. Sundt Pay Request No. 17 (\$305,827.61) retainage (\$16,096.19)
- b. Change Orders (\$312,664.49)
 - i. Alignment Relocation MH11-MH6 Due to WL Conflict (\$255,705.45)
 - ii. West Vault Trough Floor (\$11,500.09)
 - iii. Saratoga RTU Relocation (\$7,766.40)
 - iv. Gas Line Relocation (\$12,323.17)
 - v. Lehi Pipe Lining (\$16,451.13)

vi. Unknown Force Main (\$8,918.25)

3. Award Utah Lake Solutions 2024 – Jacobs (\$99,988.00)

4. Surplus Items

5. CL-R1 CMS Services: Bowen & Collins (\$1,316,000.00)

Sullivan Love pulled item 3 - Award Utah Lake Solutions 2024 for further discussion.

Blaine Thomas made a motion to approve all items on the Consent Calendar with the exception of item 3 - Award Utah Lake Solutions. Brian Braithwaite seconded the motion. Those voting "Aye" – Sullivan Love, David Bunker, Mark Christensen, Blaine Thomas, Brian Braithwaite, Richard Nielson, Neal Winterton, Joel Thompson, Brent Rummel, Mack Straw and Chandler Goodwin. Those voting "Nay" – None. The motion passed unanimously.

Sullivan pulled item 3 because Amber Rasmussen, Vineyard City Council, is interested in the progress we are making with Utah Lake. Sullivan asked Rich to put together a little information to share during this meeting.

Rich said on the District's website under education there are projects we are working on with the WFWQC (Wasatch Front Water Quality Council). There are also informational videos on wastewater treatment and Utah Lake. Those are a summary of projects we are working on. Rich said consent calendar item 3 is a project that continues the final phase of this Utah Lake study. We are meeting nine different scientific criteria that the Utah Lake Water Quality Study has put thought experiments in. They have put some work into their effort. The Utah Lake Water Quality Study is sponsored by DWQ and the Water Quality Board. Rich said a recent article shows that UVU students were doing a study on Utah Lake to introduce a biota (a sponge that would suck up the phosphorus). The base thought is they are to work from the bottom up, and if you can get rid of the nutrients such as phosphorus and nitrogen, then you will be able to control the algal bloom growth in the lake.

Rich said we have a recent article put together on studies on air deposition on the lake. TSSD has sponsored significant studies that have set up sampling points around the lake. Those sampling points have covered four years of air deposition, such as smog and other pollutions that get into the air, then when it rains, how much is holding these nutrients. These sampling sites around the lake collected data points, which was submitted. The National Air Deposition Chair, Dr. Gay, reviewed our data and had comments. We have produced over 1000 data points. Dr Gay made a note that the Utah Lake Science Panel deleted the high points, because they didn't like them. Dr. Gay told them if they are going to statistically get rid of data points then they need to remove the low as well as the high points. Rich said he believes they should include all the data points. Rich said our study is looking at how fish biota interacts with the lake to see if we can clean the lake better and produce long-term cleaning as opposed to just adding chemicals that remove algae for a short period of time. We are going in the direction of whether there is a way to use the biota in the lake to help it clean itself. We will have Jacobs Engineering manage this for us for one more year. Those studies are the limno corrals that are in the lake to show if we can change one parameter how it will affect the lake. The District is interested to show that it is not just us that is the problem, or if it is us, what we can do to help improve the lake.

Amber Rasmussen said she appreciates all the District is doing with the studies and fighting to keep all the data included. She is going to read through this and watch the videos. Amber thinks it is so important these things are discussed in our universities and cities. Amber thanked Rich for taking the time to give her this information.

Chandler Goodwin made a motion to award Utah Lake Solutions 2024 to Jacobs for \$99,988.00. Richard Nielson seconded the motion. Those voting “Aye” – Sullivan Love, David Bunker, Mark Christensen, Blaine Thomas, Brian Braithwaite, Richard Nielson, Neal Winterton, Joel Thompson, Brent Rummel, Mack Straw and Chandler Goodwin. Those voting “Nay” – None. The motion passed unanimously.

Finance

1. Financial Report

Joe Martin said the auditors have not completed everything on their end. The 2023 financials are in the board packet. These numbers are not expected to change, and the final audit report will be in April. Joe said we have more in cash in investments than we did the prior year. The construction in progress was \$40 million at the end of 2023. Those are

1 construction projects that will eventually be capitalized and depreciated once completed. The prior year was only \$12
2 million. In other assets there is \$14 million in restricted cash which is unspent bond proceeds. That is the money we are
3 going to be spending on projects and the way things are going it will not take long to spend that. We implemented a
4 new accounting standard this year where we need to evaluate software we subscribe to. If you pay a monthly or yearly
5 subscription, new accounting standards say you must capitalize that as an asset and a liability. Joe said wastewater
6 treatment income went from \$20 million to \$23 million. Impact fees went from \$8.9 million to \$15 million in 2023.
7 Interest rates are high right now, and the interest income on cash in the bank went from \$1.2 million to \$4.7 million in
8 2023.

9 Joe said we had a conference call with Fitch (bond rating agency) and sent them updated information. They evaluated
10 where we are with our income streams, debt and capital projects. They held our rating the same at AA+, which is an
11 excellent rating.

12 *Chris Condie arrived. 6:45 p.m.
13

14 **Action Items**

15 **1. Reuse Authorization Contracts**

16 Rich asked Jeff Appel, Ray Quinney and Nebeker, to speak to the board about work being done on the reuse
17 contracts. Jeff said we have been working long and hard on this water reuse for years. We are now where the cities and
18 TSSD will be filing letters to the state engineer's office supplementing the applications we filed by November 1, 2023.
19 Those are still considered pending applications, which is important, because they are not out of the system. The
20 supplements are due on Monday, March 25, 2024.

21 Jeff said there is a letter in the board packet, drafted by the city attorneys involved in this. That letter was sent to the
22 state engineer, Terea Wilhelmsen, today. All the technical information, support for our position, and how the statute
23 complies is in the letter. There are two reuse authorization contracts in the packet. We have reuse authorization
24 contracts for all the cities, there are two samples in the packet. The Lehi contract in the packet is basically like the rest of
25 the cities. Then we have American Fork exchange with Cedar Hills, Alpine, Highland and Pleasant Grove. That is a
26 standalone. Jeff thinks all the others have been approved and will be signed and make the deadline of Monday the 25th.
27 They are basically a consent to use those water rights, let them run through the plant and then be returned. The cities
28 and their attorneys have been very helpful. Jeff said the contract with American Fork, Cedar Hills, Highland, Alpine
29 and Pleasant Grove have had some new issues over the last day or so, so that is still under negotiation. Jeff thinks they
30 are not far apart on this, and it will be his first task tomorrow.

31 Mark Christensen said he and his city feel that the state is pursuing an illegal taking. This is a complex issue that has
32 a huge financial impact on our organizations. Mark said from his city's perspective anything that requires them to
33 replace water, buy water, or deplete the aquifers more to return water to the Great Salt Lake is an unjust expectation.
34 While they want to work with the state, they are concerned with the mandate of a taking. Jeff thinks Mark will be happy
35 with the letter to the state engineer. It is very pointed, and direct. Chandler said the state threw out a new wrinkle today
36 that was less than helpful. He felt like they were giving no answers and no direction but then put out that the cities need
37 to file those change applications dedicating those water rights. Jeff said the state engineers have been a problem and it
38 started with the new statute last year. In the letter, we explained why they are wrong on all those points. Chandler said
39 that requirement today was not part of the letter, and it is almost like an additional requirement at the last minute.
40 Chandler said he came away from the meeting today very frustrated. Jeff said there is nothing in the statue that requires
41 a change application from anything. Jeff said this is an important project, it is a benefit to the northern part of this county
42 and all these cities. This part of your water right that they want to go back is a property right, so this is a taking of
43 property. Jeff said he has been direct and forthright with them, and this is the way he has always dealt with them in the
44 forty years he has been practicing water law.

45 David Bunker said he appreciates Jeff and everyone who has worked to put these together. David said he received
46 some proposed language from Cedar Hills in the agreement between American Fork and the cities. It basically says the
47 same thing we are shooting for, so he thinks they are on board with the language proposed. David said if we could make
48 the motion that there could be minor changes or tweaks after Jeff has a chance to look at it, it should be fine.
49

1 Brian Braithwaite made a motion to approve the Reuse Authorization Contracts and allow Jeff Appel to make
2 minor tweaks and changes as he feels necessary to get our point across and to give Rich Mickelsen the
3 authorization to sign this once Jeff Appel has approved. Blaine Thomas seconded the motion. Sullivan Love,
4 Chair, took a roll call vote. Those voting “Aye” – Sullivan Love, David Bunker, Mark Christensen, Blaine
5 Thomas, Brian Braithwaite, Richard Nielson, Neal Winterton, Joel Thompson, Brent Rummler, Mack Straw,
6 Chris Condie, and Chandler Goodwin. Those voting “Nay” – None. The motion passed unanimously.
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8 **2. Resolution 2024-01 – Adopting a TSSD Procurement Policy**

9 Mark Bell said Resolution 2024-01 is a resolution to adopt the UASD procurement template for TSSD. It is
10 somewhat urgent that we get this done as we are getting into a big contract season. The last procurement resolution was
11 adopted by the District in 2015 and there have been many changes to the state procurement law since then. Each board
12 member received a draft of this in February and the document tonight has been customized to meet the needs of TSSD.

13 David Bunker said this procurement policy follows the UASD guidelines and asked if the purchasing limits changed
14 from our old policy. Mark Bell said yes, considerably.

16 Brian Braithwaite made a motion to approve Resolution 2024-01 TSSD adopting a Procurement Policy for
17 TSSD and authorize Sullivan Love, Chair, to sign. Chandler Goodwin seconded the motion. Sullivan Love,
18 Chair, took a roll call vote. Those voting “Aye” – Sullivan Love, David Bunker, Mark Christensen, Blaine
19 Thomas, Brian Braithwaite, Richard Nielson, Neal Winterton, Joel Thompson, Brent Rummler, Mack Straw,
20 Chris Condie, and Chandler Goodwin. Those voting “Nay” – None. The motion passed unanimously.

22 **3. Resolution 2024-02 – WIFIA LOI Resolution**

23 Rich said this action item is on the WIFIA (Water Infrastructure Finance and Innovation Act) Letter of Intent. This is
24 authorizing Rich to put together a letter of intent.

26 Mark Christensen made a motion to approve Resolution 2024-02 and authorize Rich to execute a Letter of
27 Intent related to WIFIA. Richard Nielson seconded the motion. Sullivan Love, Chair, took a roll call vote. Those
28 voting “Aye” – Sullivan Love, David Bunker, Mark Christensen, Blaine Thomas, Brian Braithwaite, Richard
29 Nielson, Neal Winterton, Joel Thompson, Brent Rummler, Mack Straw, Chris Condie, and Chandler Goodwin.
30 Those voting “Nay” – None. The motion passed unanimously.

32 **4. Resolution 2024-03 – TSSD Compensation Philosophy**

33 Rich said this is to approve verbiage added to the compensation philosophy “within the approved budget”.

35 Brian Braithwaite made a motion to approve Resolution 2024-03 Approving a Statement of the District’s
36 Compensation Philosophy and authorize Sullivan Love to sign. Blaine Thomas seconded the motion. Sullivan
37 Love, Chair, took a roll call vote. Those voting “Aye” – Sullivan Love, David Bunker, Mark Christensen, Blaine
38 Thomas, Brian Braithwaite, Richard Nielson, Neal Winterton, Joel Thompson, Brent Rummler, Mack Straw,
39 Chris Condie, and Chandler Goodwin. Those voting “Nay” – None. The motion passed unanimously.

41 **Communication**

42 **1. Bowen & Collins Texas Instruments Technical Memo**

43 Rich said this is a report from Bowen and Collins as they look for alternatives to be able to supply service for
44 additional flow from Texas Instruments. This report goes into detail with four different alternatives to look at flow
45 coming from the TI facility to TSSD’s service lines. The four alternatives and estimated costs are 1 - \$78 million - a new
46 lift station near TI, flow along Timpanogos Highway and down Utah County Blvd., which will cause impact on
47 American Fork and Highland. Alternative 2 - \$110 million – a new lift station near TI, flow along Timpanogos
48 Highway and down 6400 West Highland. Alternative 3A - \$102 million – a new 18” gravity line from TI along 300
49 West Lehi to existing collection system at Center Street and 700 South, new diversion structure then East. 3B - \$60
50 million - a new 18” gravity line from TI along 300 West Lehi to existing collection system at Center Street and 700

1 South, new diversion structure then south to the district line. These costs will be borne solely by Texas Instruments. The
2 recommended Alternative is 3B.

3 David Bunker said table 6, which shows the project costs, Alternative 3B shows the cost for TSSD would be \$9.7
4 million. Rich said his understanding is that is TI's impact fees, and TSSD is not paying for that; it is the cost associated
5 with them connecting to our line. David Bunker said the table is misleading if that is the case. Brandon Wyatt, Bowen
6 Collins and Associates, said he believes the \$9.7 million is the incremental cost of the CL-N2 project and the lift stations
7 that are associated with the flows that are coming in from Texas Instruments into these facilities. Brandon said 4.2 mgd
8 has an impact on those facilities and the \$9.7 million represents that proportional cost to TI to account for their flows
9 coming into the facility. David asked if that \$9.7 million is going to be paid by TI. Brandon said yes.

10 Mark Christensen asked if the consumption of the capacity in option 3B is in the District's best interest. Are there
11 better alternatives in areas that aren't going to be experiencing high growth, even though it may cost TI more? Rich said
12 that should be looked at in more detail to see whether that was considered. Rich said the 78" pipe we are building for
13 the CI-N1 project takes us out to 2040. Mark is hesitant about approving this; it may be their short-term cheapest option,
14 but it may have repercussions for the District in 16 years with the need to go back out and replace or upsize
15 infrastructure again. Mark said as we look at the legislature and their desire for housing to continue, we are looking at
16 17,000 homes that will not get built out west because this capacity might be removed. We need to keep our vision a
17 little bit longer in the planning phase to make sure we are not shorting ourselves long term.

18 Chandler said to make an informed decision they need to dive into the analysis of each of those options presented.
19 When does TI expect an answer from the board. Rich said this is informative tonight is not an action item. Rich thinks
20 it would be wise to add it as an action item for the next board meeting. Brian said Mark is spot on and we should be
21 thinking about those things. Brian said there were other issues we were looking at, the impact on the communities and
22 upsizing and trying to fit it into some of those roads. Brian thinks the only real alternatives are 1, 3A or 3B. Brian said
23 Cedar Hills, Highland and Alpine are mostly built out but there are other impacts. Chandler said there is a bill at the
24 legislature this year that changed density to six guaranteed units per acre, which is a total bombshell in any analysis.
25 Brian said it can be, but we cannot play that game forever. It is based on what we have today, it is our best guess. Mark
26 said with all the empty open space out west, a change like that can have a much quicker impact. Mark asked if we could
27 make sure we understand what those impacts are for each of the communities, when we bring this back. We have now
28 gone through a year of construction in upsizing one of these lines and he really does not want to have to do that again in
29 ten years. Rich said yes, he will do some things behind the scenes for discussion at the next committee meetings.

30 Neal said as those discussions take place, he thinks the ownership of the line and the long-term ramifications of the
31 maintenance also come into play. That is a big line and someday it will need to be replaced or rehabbed. Is that going to
32 be rolled into the cities' treatment costs as they are today? Rich said all of those lines on there are going to either get
33 bigger or there will be more of them. Rich asked a specific question on this blue line in 3B alternative, would that be
34 wholly Lehi's line to maintain? How are we putting this into our asset management to make sure it is maintained and
35 updated appropriately? Neal said yes, those are going to be costly to maintain. Is that going to be spread out among the
36 users or is TI going to maintain that or provide additional money into an escrow account? Neal asked if we have the
37 ability to tell TI they cannot do the least cost option and they need to spend double because we want them to? Would we,
38 as a District, need to participate in some of that, if we are creating capacity for future connections west? Rich said he
39 could talk to Jodi Hoffman about that. The impact fee resolution that we passed in September has a specific clause in
40 there that relates to businesses like this that are coming into the District and how they affect the District directly. Mark
41 believes we could say to TI, this is a project cost, you get it from your point of origin to our plant, but that is a question
42 for an attorney.

43 Rich said it would be wise to explore those options in the engineering committee and address them all and prepare
44 something to bring to the board. Richard Nielson said, the one option would need 4.2 mgd additional pumping so there
45 are additional costs with that. Brandon Wyatt said all of these have long term pumping costs. Mark asked if there is an
46 alternative where the pump is theirs to maintain and pay for and avoids us having to pump. Brandon said everything that
47 comes into the plant is pumped one way or another. Here at the plant, it is pumped into the influent pump station. Mark
48 said we need to evaluate what is the least impactful, long-term operation cost from a pumping standpoint.

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1 2. Manager's Report

2 The total effluent phosphorus went up to 1.69 mg/L, which put our year-to-date at 1 mg/L. We have had issues with
3 our new blowers, and we are working through those issues now. Rich said Lone Star Blowers have been here all week.
4 The rest of the numbers are still within permit parameter levels.

5 David Bunker asked where we landed at the end of the legislative session to amend the criteria to allow Eagle
6 Mountain to have a seat on the board if we go to a Service District. Rich said the legislature passed SB 259 and it was
7 signed by the governor and it will go into effect May 1st. Mark Bell said Eagle Mountain we will likely take this up at
8 their first city council meeting in May. From there we will get to work with the county, and they will draft their
9 documentation to accomplish the change.

10 11 Closed Session

12 13 1. To discuss Litigation, Property Acquisition and Personnel

14 Brian Braithwaite made a motion to go into closed session to discuss land acquisition. Mack Straw seconded
15 the motion. Sullivan Love, Chair, took a roll call vote. Those voting "Aye" – Sullivan Love, David Bunker, Mark
16 Christensen, Blaine Thomas, Brian Braithwaite, Richard Nielson, Neal Winterton, Joel Thompson, Brent
17 Rummel, Mack Straw, Chris Condie, and Chandler Goodwin. Those voting "Nay" – None. The motion passed
18 unanimously. 7:41 p.m.

19 Mark Christensen made a motion to go out of closed session. Chandler Goodwin seconded the motion. Those
20 voting "Aye" – Sullivan Love, David Bunker, Mark Christensen, Blaine Thomas, Brian Braithwaite, Richard
21 Nielson, Neal Winterton, Joel Thompson, Brent Rummel, Mack Straw and Chris Condie, and Chandler
22 Goodwin. Those voting "Nay" – None. The motion passed unanimously. 7:59 p.m.

23 24 25 26 **Adjourn:** Chandler Goodwin made a motion to adjourn. Brian Braithwaite seconded the motion. All present
"Aye." Meeting adjourned. 8:00 p.m.