

Timpanogos Special Service District

Administrative Board

Electronic Meeting Minutes

6400 North 5050 West Utah County, Utah

April 25, 2024

6:00 p.m.

Conference Room/Electronic Meeting

Board Members:

Present: Sullivan Love (Chair) Chandler Goodwin (Vice Chair) Blaine Thomas
Neal Winterton Mark Christensen Richard Nielson
Brent Rummmler

Electronic: David Bunker Chris Condie *Mack Straw

Excused: Joel Thompson Brian Braithwaite

District Staff: Richard Mickelsen, District Manager (Electronic)
David Barlow, District Engineer (Electronic)
Danette Smith, Board Secretary
Joe Martin, CPA

Others: Mark Bell, Hayes Godfrey Bell (Electronic)
Kyle Greene, Squire and Company

Call to Order

Sullivan Love, Board Chair, called the meeting to order 6:07 p.m.

Public Comment

There was no public comment.

Approval of Minutes

1. Approval of the March 21, 2024 Administrative Board Meeting Minutes

Chandler Goodwin made a motion to approve the minutes of the March 21, 2024 Administrative Board Meeting. Richard Nielson seconded the motion. Roll call vote. "Aye" – Sullivan Love, David Bunker, Mark Christensen, Blaine Thomas, Richard Nielson, Neal Winterton, Brent Rummmler, Chris Condie, and Chandler Goodwin. Those voting "Nay" – None. The motion passed unanimously.

Sullivan Love said we will move Consent Calendar item 6- "Award egg digesters to CBI" to the action items for further discussion.

Consent Calendar

1. TSSD Check Register

2. CL-N1:

a. Sundt Pay Request No. 18 (\$1,115,381.43) retainage (\$25,704.29)

b. Change Order # 6 (\$781,091.15)

3. Package A TO 2023-04 Package A Thermal Drying Project Final Design Professional Engineering Services: Change order #1 – Chemical odor control. (\$1,491,470)

4. Electrical Contractors approved list and General Contractors approved list

5. Award mixers to: Westech (\$1,374,752)

6. Award egg digesters to: CBI (\$18,870,026)

7. Task Order: 2024 Dry Creek Lift Station Improvements (LS-3) Engineering Services - Bowen, Collins & Associates Cost: (\$285,700)

8. 2024 Ecology work (\$260,474):

a. Rushforth (\$61,200)

b. Oreohelix (\$29,600)

c. RCC (\$94,674)

d. Welard (\$75,000)

*Mack Straw arrived. 6:12

Blaine Thomas made a motion to approve items on the Consent Calendar and move item 6 – Award Egg Digesters to CBI to the Action Items. Neal Winterton seconded the motion. Roll call vote. “Aye” – Sullivan Love, David Bunker, Mark Christensen, Blaine Thomas, Richard Nielson, Neal Winterton, Brent Rummler, Chris Condie, and Chandler Goodwin. Mack Straw abstained. Those voting “Nay” – None. The motion passed.

Finance

1. Financial Report

Joe Martin said December 2023 financial statements were presented last month when the auditors had finished their field work. The auditors have now completed all their internal reviews and issued the audit report. The February financials are also in the board packet. Joe said Kyle Greene, Squire and Company will present the audit report.

2. 2023 Audit Report – Squire and Co.

Kyle Greene, Squire and Company, said they were here at the District working with staff on the audit. They obtained all the information they needed to be able to issue an opinion on the District’s financial statements. Kyle said in their opinion the District’s basic financial statements present fairly, in all material respects, the financial position of the District as of December 31, 2023, and 2022. They gave a clean, unmodified opinion of the District’s financials. Kyle said they did not find any deficiencies in internal controls. As part of compliance, the District complied in all material respects with the state compliance requirements on Budgetary Compliance, Fund Balance, Fraud Risk Assessment and the Open and Public Meetings Act for the year ended December 31, 2023.

David Bunker made a motion to accept the 2023 Audit Report as presented. Mack Straw seconded the motion. Roll call vote. “Aye” – Sullivan Love, David Bunker, Mark Christensen, Blaine Thomas, Richard Nielson, Neal Winterton, Brent Rummler, Chris Condie, Mack Straw and Chandler Goodwin. Those voting “Nay” – None. The motion passed unanimously.

Rich said he asked to move the Award of Egg Digester to CBI, to be moved from the consent calendar to the action items for more discussion.

Action Items

1. Award egg digesters to: CBI (\$18,870,026)

Rich said we have been trying to resolve the agreement on several issues. We were able to come to a consensus on many of the exceptions they had to the agreement on the RFP. There are a few items we are still trying to resolve. Rich said he was hopeful the Board would conditionally approve the egg digester award to CBI and grant Rich the conditional approval if we can come to a conclusion on these minor issues we have not settled yet. Sullivan asked if the board feels comfortable directing Rich to have further discussions with CBI and work out the final details of this award.

Chandler Goodwin made a motion to award the Egg Digesters conditionally to CBI and authorize Rich to negotiate the final agreement and settle it. David Bunker seconded the motion. Roll call vote. “Aye” – Sullivan Love, David Bunker, Mark Christensen, Blaine Thomas, Richard Nielson, Neal Winterton, Brent Rummler, Chris Condie, Mack Straw and Chandler Goodwin. Those voting “Nay” – None. The motion passed unanimously.

2. Richard Mickelsen adjunct professor at UVU

Rich said he was asked by UVU to teach their environmental class on water reclamation and water quality. Rich said he had received a go ahead from the Board, but wanted a document is a formal approval as his main job is here at the District. The quarter is now over, and the final will be next Tuesday. Rich said he did have to take time to prepare to teach, which is one thing he has been meaning to do as the District Manager of the facility here. Rich said he will start training staff here as well beginning in May and will continue that until we complete the course. Mark Christensen said congratulations, enjoy it and have fun and good luck with the students. Sullivan said he thinks it is important because it gets a professional out in the classroom and it can create some interest for potential future employees for the District. Sullivan said he really likes the idea of continuing that education with the plant staff, it is important because changing regulations never stop, and ongoing education is critical.

Mark Christensen made a motion to approve Richard Mickelsen as adjunct professor at UVU. Neal Winterton seconded the motion. Roll call vote. "Aye" – Sullivan Love, David Bunker, Mark Christensen, Blaine Thomas, Richard Nielson, Neal Winterton, Brent Rummler, Chris Condie, Mack Straw and Chandler Goodwin. Those voting "Nay" – None. The motion passed unanimously.

3. TSSD Cash Reserve Policy

Rich deferred to Chandler give the report from the finance committee. Chandler said the finance committee met with Zions Public Finance to discuss the District's cash reserve policy. The current policy consists of five components. Currently our rate stabilization fund, with those five components sits at about \$35 million. Zions Public Finance has reviewed the cash reserve policy and has met with the finance committee to make some modifications. Those modifications are proposed in the packet. It would create a policy that the minimum floor cash reserve is equal to or greater of: \$20 million or a combination of 50% of the prior year's operating expenses (less depreciation), one year of debt service, or the amount required by the rate stabilization fund, currently around \$9 million - to meet bond covenants. Chandler said this does reduce some redundancies and maybe "over-saving". Zions called our asset management, the repair and replacement fund where we currently sit at \$10 million in our current cash reserve policy, but they looked at the repair and replacement fund for the District's need to meet real expenses and in FY 2022, the District spent \$681k. The average between 2018 and 2022 was about \$1.1 million so it seems a little excessive to keep \$10 million, so this keeps it more in line with the District's actual expenses. Mark said he was also a part of that finance committee meeting, and he fully supports this as did Brian Braithwaite, who would have been eager to discuss this if he were here tonight. David Bunker said he agrees with this policy; it is a good change and getting rid of some of those redundancies is a good thing.

Mark Christensen made a motion to approve the TSSD Cash Reserve Policy. Blaine Thomas seconded the motion. Roll call vote. "Aye" – Sullivan Love, David Bunker, Mark Christensen, Blaine Thomas, Richard Nielson, Neal Winterton, Brent Rummler, Chris Condie, Mack Straw and Chandler Goodwin. Those voting "Nay" – None. The motion passed unanimously.

Communication

1. Manager's Report

- a. Accept MWWP Report
- b. Plant Performance

Closed Session

1. To discuss Litigation, Property Acquisition and Personnel

Chandler Goodwin made a motion to go into closed session for acquisition of real property. David Bunker seconded the motion. Sullivan Love, Chair, took a roll call vote. Those voting "Aye" – Sullivan Love, David

1 **Bunker, Mark Christensen, Blaine Thomas, Richard Nielson, Neal Winterton, Brent Rummier, Chris Condie,**
2 **Mack Straw and Chandler Goodwin. Those voting “Nay” – None. The motion passed unanimously. 6:34 p.m.**

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4 David Bunker left 6:35 p.m.

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6 **Blaine Thomas made a motion to go out of closed session into regular session. Sullivan Love seconded the**
7 **motion. Those voting “Aye” - Sullivan Love, Mark Christensen, Blaine Thomas, Richard Nielson, Neal**
8 **Winterton, Brent Rummier, Chris Condie, Mack Straw and Chandler Goodwin. Those voting “Nay” – None.**
9 **The motion passed unanimously 7:01p.m**

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11 **Adjourn: Mark Christensen made a motion to adjourn. Blaine Thomas seconded the motion. All present**
12 **“Aye.” Meeting adjourned. 7:03 p.m.**

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